## SENATE BILL 5319

State of Washington 67th Legislature 2021 Regular Session

By Senator McCune

AN ACT Relating to the sale or lease of manufactured/mobile home communities and the property on which they sit; amending RCW 59.20.305; reenacting and amending RCW 59.20.030; adding a new section to chapter 59.20 RCW; adding a new section to chapter 84.36 RCW; and creating a new section.

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

7 NEW SECTION. Sec. 1. The legislature finds that at the time of the last great housing shortage in the United States, mobile homes 8 and later manufactured housing that could be owned and placed on a 9 10 rented lot became a popular solution. As we approach a greater 11 housing crisis, the legislature finds that it is in the state's 12 interest to preserve affordable housing, especially for the aging 13 population. There are manufactured/mobile home parks that specialize 14 in providing affordable housing for citizens aged 55 and older. These 15 parks often have well-kept mobile/manufactured homes that are set on 16 foundations or are not easily movable for other reasons. The 17 legislature finds that it is in the state's interest to preserve this 18 type of housing.

Sec. 2. RCW 59.20.030 and 2019 c 342 s 1 and 2019 c 23 s 4 are each reenacted and amended to read as follows: 1

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;

8 (2) "Active duty" means service authorized by the president of 9 the United States, the secretary of defense, or the governor for a 10 period of more than thirty consecutive days;

(3) "Eligible organization" includes 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;

16 (4) "Housing and low-income assistance organization" means an 17 organization that provides tenants living in mobile home parks, 18 manufactured housing communities, and manufactured/mobile home 19 communities with information about their rights and other pertinent 20 information;

(5) "Housing authority" or "authority" means any of the public body corporate and politic created in RCW 35.82.030;

(6) "Landlord" means the owner of a mobile home park and includesthe agents of a landlord;

(7) "Local government" means a town government, city government, code city government, or county government in the state of Washington;

28 (8) "Manufactured home" means a single-family dwelling built 29 according to the United States department of housing and urban development manufactured home construction and safety standards act, 30 31 which is a national preemptive building code. A manufactured home 32 (a) Includes plumbing, heating, air conditioning, and also: electrical systems; (b) is built on a permanent chassis; and (c) can 33 be transported in one or more sections with each section at least 34 eight feet wide and forty feet long when transported, or when 35 36 installed on the site is three hundred twenty square feet or greater;

37 (9) "Manufactured/mobile home" means either a manufactured home 38 or a mobile home;

(10) "Mobile home" means a factory-built dwelling built prior toJune 15, 1976, to standards other than the United States department

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1 of housing and urban development code, and acceptable under 2 applicable state codes in effect at the time of construction or 3 introduction of the home into the state. Mobile homes have not been 4 built since the introduction of the United States department of 5 housing and urban development manufactured home construction and 6 safety act;

7 (11) "Mobile home lot" means a portion of a mobile home park or 8 manufactured housing community designated as the location of one 9 mobile home, manufactured home, or park model and its accessory 10 buildings, and intended for the exclusive use as a primary residence 11 by the occupants of that mobile home, manufactured home, or park 12 model;

(12) "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;

(13) "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;

(14) "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;

34 (15) "Notice of sale" means a notice required under RCW 59.20.300 35 to be delivered to all tenants of a manufactured/mobile home 36 community and other specified parties within fourteen days after the 37 date on which any advertisement, multiple listing, or public notice 38 advertises that a manufactured/mobile home community is for sale;

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1 (16) "Occupant" means any person, including a live-in care 2 provider, other than a tenant, who occupies a mobile home, 3 manufactured home, or park model and mobile home lot;

4 (17) "Orders" means written official military orders, or any
5 written notification, certification, or verification from the service
6 member's commanding officer, with respect to the service member's
7 current or future military status;

8 (18) "Park model" means a recreational vehicle intended for 9 permanent or semi-permanent installation and is used as a primary 10 residence;

(19) "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 ninety days; (d) separation; or (e) retirement;

(20) "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;

(21) (21) "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;

(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;

30 (23) "Service member" means an active member of the United States 31 armed forces, a member of a military reserve component, or a member 32 of the national guard who is either stationed in or a resident of 33 Washington state;

34 (24) "Tenant" means any person, except a transient, who rents a 35 mobile home lot;

36 (25) "Transient" means a person who rents a mobile home lot for a 37 period of less than one month for purposes other than as a primary 38 residence;

39 (26) "55-plus manufactured/mobile home community" means a 40 manufactured/mobile home community in which the residents and tenants

## 1 are at least 55 years of age and where the majority of homes in the

2 community are permanently affixed on the lot on which they sit.

3 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 59.20
4 RCW to read as follows:

5 (1)(a) Except as provided in subsection (5) of this section, a 6 landlord must provide a written notice of the opportunity to purchase 7 or lease a 55-plus manufactured/mobile home community or the property 8 on which the community is located by certified mail or personal 9 delivery to each tenant and to the department of commerce and the 10 housing finance commission within:

(i) Three days after the date on which a landlord receives a bona fide offer to purchase or lease the 55-plus manufactured/mobile home community or the property on which it is located and is considering the sale as a result of such offer; or

15 (ii) Fourteen days after the date on which any advertisement, 16 listing, or public notice is first made that the 55-plus 17 manufactured/mobile home community, or property on which it sits, is 18 for sale or lease.

(b) For purposes of this subsection, "bona fide offer" means a signed written statement that sets forth an offered price, a description of the property to be purchased, and any other offer terms and conditions.

(2) The notice of opportunity to purchase required pursuant to
 subsection (1)(a)(ii) of this section is in addition to the notice of
 sale required pursuant to RCW 59.20.300.

26 (3) Notice by certified mail postmarked within the requisite 27 number of days is deemed to comply with the requirements of this 28 section.

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(4) A notice of opportunity to purchase must include:

30 (a) A statement that the landlord is considering the sale or 31 lease of the 55-plus manufactured/mobile home community or the 32 property on which it sits;

33 (b) A statement that:

(i) Qualified tenant organizations or other eligible organizations have 45 days from the date on which the notice of opportunity to purchase was personally delivered or postmarked to provide the landlord with notice of intent to consider purchasing or leasing the 55-plus manufactured/mobile home community, during which 1 time the landlord shall not make a final acceptance of an offer to 2 purchase or lease the community; and

3 (ii) If such notice of intent is provided to the landlord within 4 45 days, the landlord shall not make a final unconditional acceptance 5 of an offer to purchase or lease the 55-plus manufactured/mobile home 6 community from a person or entity other than a qualified tenant 7 organization or eligible organization for an additional 120 days; and

8 (c) The contact information for the landlord or landlord's agent 9 who is responsible for communicating with the qualified tenant 10 organization or eligible organization regarding an opportunity to 11 make an offer for the sale of the property.

12 (5) A notice of opportunity to purchase is not required with 13 respect to a sale, transfer, conveyance, or lease of the 55-plus 14 manufactured/mobile home community or the property on which it sits 15 where the transaction is:

16 (a) Due to foreclosure;

17 (b) Incidental to financing the park;

18 (c) Pursuant to eminent domain;

19 (d) Pursuant to a tax sale;

20 (e) Between joint tenants or tenants in common;

(f) Among the partners or shareholders who own the 55-plus manufactured/mobile home community; or

23 (g) To a member of the owner's family or to a trust for the sole 24 benefit of members of the owner's family.

25 (6) If, within 45 days after the date on which a notice of 26 opportunity to purchase was personally delivered or postmarked, the landlord receives notice from a qualified tenant organization or 27 eligible organization expressing an intent to consider purchasing or 28 leasing a 55-plus manufactured/mobile home community or the property 29 on which it is located, the landlord shall not make a final 30 31 unconditional acceptance of an offer to purchase or lease the 32 community from a person or entity other than a qualified tenant 33 organization or eligible organization for an additional 120 days.

34 (7) If no qualified tenant organization or eligible organization 35 provides notice expressing an intent to consider the purchase or 36 lease within 45 days after the date on which a notice of opportunity 37 to purchase was personally delivered or postmarked, the landlord is 38 not subject to the restrictions of subsection (6) of this section.

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1 Sec. 4. RCW 59.20.305 and 2008 c 116 s 5 are each amended to 2 read as follows:

3 ((A)) (1) Except as provided in subsection (2) of this section, a 4 landlord intending to sell a manufactured/mobile home community is 5 encouraged to negotiate in good faith with qualified tenant 6 organizations and eligible organizations.

7 (2) A landlord intending to sell or lease a 55-plus manufactured/ mobile home community or the property on which it sits shall 8 negotiate in good faith with qualified tenant organizations and 9 eligible organizations. Any gualified tenant organization or eligible 10 organization that submits a notice of intent to purchase or lease a 11 12 55-plus manufactured/mobile home community or the property on which it sits pursuant to section 3 of this act is required to negotiate in 13 good faith with the landlord intending to sell or lease the 55-plus 14 manufactured/mobile home community or property on which it sits. 15

16 <u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 84.36
17 RCW to read as follows:

(1) An owner of a mobile home park is eligible for a property taxexemption as provided in this section when:

20 (a) The owner provides tenants of the mobile home park a closure 21 notice longer than the period required under RCW 59.20.080 but up to 22 three years; or

(b) The owner offers a right of first refusal to a qualified tenant organization or eligible organization in accordance with section 3 of this act.

(2) The property is exempt from all property taxes payable beginning in the next succeeding calendar year and each subsequent year during the exemption period under this section, which may not exceed a period of 36 months.

30 (3) A claim for exemption under this section may be made and 31 filed with the county assessor at any time during the year for 32 exemption from taxes payable the following year. The owner of the 33 mobile home park must certify on the application for exemption that 34 notice was given in accordance with the requirements of section 3 of 35 this act or RCW 59.21.030, as applicable.

36 (4) Any amount of property tax exempted under this section is due
37 and payable immediately, subject to interest and penalties under RCW
38 84.56.020, if the mobile home park is closed or converted before the

1 end of the closure notice period or if the mobile home park is sold 2 to a party that was not offered the right of first refusal.

3 (5) For the purposes of this section, "mobile home park" has the 4 same meaning as in RCW 59.20.030.

5 <u>NEW SECTION.</u> Sec. 6. If any provision of this act or its 6 application to any person or circumstance is held invalid, the 7 remainder of the act or the application of the provision to other 8 persons or circumstances is not affected.

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