S-5989.1

## SUBSTITUTE SENATE BILL 6230

State of Washington 66th Legislature 2020 Regular Session

By Senate Housing Stability & Affordability (originally sponsored by Senators Kuderer, Hunt, Stanford, and Wilson, C.)

AN ACT Relating to the sale or lease of manufactured/mobile home communities and the property on which they sit; amending RCW 59.20.300 and 59.20.305; reenacting and amending RCW 59.20.030; adding new sections to chapter 59.20 RCW; creating a new section; and prescribing penalties.

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

- 7 <u>NEW SECTION.</u> **Sec. 1**. (1) The legislature finds that:
- 8 (a) It is the policy of this state to encourage affordable 9 housing ownership, including manufactured/mobile home community 10 living.
- 11 (b) Manufactured/mobile home communities provide a significant 12 source of homeownership opportunities for Washington residents. 13 However, the increasing closure and conversion of manufactured/mobile 14 home communities to other combined uses, with increasing 15 manufactured/mobile home lot rents, low vacancy rates in existing 16 manufactured/mobile home communities, and the extremely high cost of 17 when manufactured/mobile home communities homes 18 increasingly make manufactured/mobile home community living insecure 19 for manufactured/mobile home tenants.
- 20 (c) Many tenants who reside in manufactured/mobile home 21 communities are part of low-income households and senior citizens and

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- are, therefore, those residents most in need of reasonable security in the siting of their manufactured/mobile homes because such tenants experience adverse impacts on their health, safety, and welfare when forced to move due to closure, change of use, or discontinuance of manufactured/mobile home communities.
- (2) It is the intent of the legislature to encourage and facilitate the preservation of existing manufactured/mobile home communities in the event of voluntary sales of manufactured/mobile home communities and, to the extent necessary and possible, involve manufactured/mobile home community tenants or an eligible organization, such as a nonprofit organization, housing authority, community land trust, resident nonprofit cooperative, or local government, in the preservation of manufactured/mobile home communities.
- **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:

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;
- (2) "Active duty" means service authorized by the president of the United States, the secretary of defense, or the governor for a period of more than thirty consecutive days;
- (3) "Eligible organization" includes <u>community land trusts</u>, <u>resident nonprofit cooperatives</u>, 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;
- (4) "Housing and low-income assistance organization" means an organization that provides tenants living in mobile home parks, manufactured housing communities, and manufactured/mobile home communities with information about their rights and other pertinent information;
- 37 (5) "Housing authority" or "authority" means any of the public 38 body corporate and politic created in RCW 35.82.030;

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1 (6) "Landlord" means the owner of a mobile home park and includes 2 the agents of a landlord;

- (7) "Local government" means a town government, city government, code city government, or county government in the state of Washington;
- (8) "Manufactured home" means a single-family dwelling built according to the United States department of housing and urban development manufactured home construction and safety standards act, which is a national preemptive building code. A manufactured home also: (a) Includes plumbing, heating, air conditioning, and electrical systems; (b) is built on a permanent chassis; and (c) can be transported in one or more sections with each section at least eight feet wide and forty feet long when transported, or when installed on the site is three hundred twenty square feet or greater;
- 15 (9) "Manufactured/mobile home" means either a manufactured home 16 or a mobile home;
  - (10) "Mobile home" means a factory-built dwelling built prior to June 15, 1976, to standards other than the United States department of housing and urban development code, and acceptable under applicable state codes in effect at the time of construction or introduction of the home into the state. Mobile homes have not been built since the introduction of the United States department of housing and urban development manufactured home construction and safety act;
  - (11) "Mobile home lot" means a portion of a mobile home park or manufactured housing community designated as the location of one mobile home, manufactured home, or park model and its accessory buildings, and intended for the exclusive use as a primary residence by the occupants of that mobile home, manufactured home, or park 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

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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;

- "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;
- (15) "Notice of sale" means a notice required under RCW 59.20.300 to be delivered to all tenants of a manufactured/mobile home community and other specified parties within fourteen days after the date on which any advertisement, ((multiple)) listing, or public notice ((advertises)) is first made advertising that a manufactured/mobile home community or the property on which it sits is for sale or lease;
- (16) "Occupant" means any person, including a live-in care provider, other than a tenant, who occupies a mobile home, manufactured home, or park model and mobile home lot;
- (17) "Orders" means written official military orders, or any written notification, certification, or verification from the service member's commanding officer, with respect to the service member's current or future military status;
- (18) "Park model" means a recreational vehicle intended for permanent or semi-permanent installation and is used as a primary 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)) homeowners' association or to an eligible organization for the purpose of preserving the property as a manufactured/mobile home community;

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1 (21) (("Qualified tenant organization")) "Homeowners'
2 association" means a formal organization of tenants within a
3 manufactured/mobile home community, with the only requirement for
4 membership consisting of being a tenant;

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- (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;
- 11 (23) "Service member" means an active member of the United States 12 armed forces, a member of a military reserve component, or a member 13 of the national guard who is either stationed in or a resident of 14 Washington state;
- 15 (24) "Tenant" means any person, except a transient, who rents a 16 mobile home lot;
- 17 (25) "Transient" means a person who rents a mobile home lot for a 18 period of less than one month for purposes other than as a primary 19 residence;
- 20 (26) "Notice of opportunity to purchase" means a notice required 21 under section 5 of this act;
  - (27) "Resident nonprofit cooperative" means a nonprofit cooperative corporation formed by a group of manufactured/mobile home community residents for the purpose of acquiring the manufactured/mobile home community in which they reside and converting the manufactured/mobile home community to a mobile home park cooperative or manufactured housing cooperative.
- 28 **Sec. 3.** RCW 59.20.300 and 2011 c 158 s 5 are each amended to 29 read as follows:
- 30 (1) A landlord must provide a written notice of sale of a 31 manufactured/mobile home community by certified mail or personal 32 delivery to:
  - (a) Each tenant of the manufactured/mobile home community;
- 34 (b) The officers of any known ((qualified tenant organization))
  35 homeowners' association;
  - (c) The office of mobile/manufactured home relocation assistance;
- 37 (d) The local government within whose jurisdiction all or part of the manufactured/mobile home community exists;

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- 1 (e) The housing authority within whose jurisdiction all or part of the manufactured/mobile home community exists; and
  - (f) The Washington state housing finance commission.
  - (2) A notice of sale must include:

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- 5 (a) A statement that the landlord intends to sell <u>or lease</u> the 6 manufactured/mobile home community <u>or the property on which it sits;</u> 7 and
- 8 (b) The contact information of the landlord or landlord's agent
  9 who is responsible for communicating with the ((qualified tenant
  10 organization)) tenants, homeowners' association, or eligible
  11 organization regarding the sale of the property.
- NEW SECTION. Sec. 4. A new section is added to chapter 59.20 RCW to read as follows:
  - (1) (a) Except as provided in subsection (5) of this section, a landlord must provide a written notice of opportunity to purchase a manufactured/mobile home community by certified mail or personal delivery to each tenant and to the department of commerce and the housing finance commission within:
  - (i) Three days after the date on which a landlord receives a bona fide offer to purchase or lease his or her manufactured/mobile home community or the property on which the manufactured/mobile home community is located and is considering the sale or lease of the manufactured/mobile home community or the property on which it sits as a result of such offer; or
  - (ii) Fourteen days after the date on which any advertisement, listing, or public notice is first made that the manufactured/mobile home community, or property on which it sits, is 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.
- 35 (3) Notice by certified mail postmarked within the requisite 36 number of days is deemed to comply with the requirements of this 37 section.
  - (4) A notice of opportunity to purchase must include:

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- 1 (a) A statement that the landlord is considering the sale or 2 lease of the manufactured/mobile home community or the property on 3 which it sits;
  - (b) A statement that:

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- 5 (i) Homeowners' associations and eligible organizations have 6 forty-five days from the date on which the notice of opportunity to 7 purchase was personally delivered or postmarked to provide the 8 landlord with notice of intent to consider purchasing or leasing the 9 manufactured/mobile home park, during which time the landlord shall 10 not make a final acceptance of an offer to purchase or lease the 11 park; and
  - (ii) If such notice of intent is provided to the landlord within forty-five days, the landlord shall not make a final unconditional acceptance of an offer to purchase or lease the park from a person or entity other than a homeowners' association or eligible organization for an additional one hundred twenty days; and
  - (c) The contact information for the landlord or landlord's agent who is responsible for communicating with the tenants, homeowners' association, or eligible organization regarding an opportunity to make an offer for the sale of the property.
- 21 (5) A notice of opportunity to purchase is not required with 22 respect to a sale, transfer, conveyance, or lease of the 23 manufactured/mobile home community or the property on which it sits 24 where the transaction is:
  - (a) Due to foreclosure;
- 26 (b) Incidental to financing the park;
- 27 (c) Pursuant to eminent domain;
- 28 (d) Pursuant to a tax sale;
- (e) Between joint tenants or tenants in common;
- 30 (f) Among the partners or shareholders who own the manufactured/ 31 mobile home community; or
- 32 (g) To a member of the owner's family or to a trust for the sole 33 benefit of members of the owner's family.
- NEW SECTION. Sec. 5. A new section is added to chapter 59.20 RCW to read as follows:
- 36 (1) If, within forty-five days after the date on which a notice 37 of opportunity to purchase was personally delivered or postmarked, 38 the landlord receives notice from a homeowners' association or 39 eligible organization expressing an intent to consider purchasing or

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- leasing the manufactured/mobile home community, the landlord shall not make a final unconditional acceptance of an offer to purchase or
- 3 lease the park from a person or entity other than a homeowners'
- 4 association or eligible organization for an additional one hundred
- 5 twenty days.
- 6 (2) If no homeowners' association or eligible organization 7 provides notice expressing an intent to consider the purchase or
- 8 lease within forty-five days after the date on which a notice of
- 9 opportunity to purchase was personally delivered or postmarked, the
- 10 landlord is not subject to the restrictions of subsection (1) of this
- 11 section.
- 12 **Sec. 6.** RCW 59.20.305 and 2008 c 116 s 5 are each amended to
- 13 read as follows:
- 14 A landlord intending to sell <u>or lease</u> a manufactured/mobile home
- 15 community or the property on which it sits is ((encouraged)) required
- 16 to negotiate in good faith with ((qualified tenant organizations))
- 17 <u>homeowners' associations</u> and eligible organizations.
- 18 <u>NEW SECTION.</u> **Sec. 7.** A new section is added to chapter 59.20
- 19 RCW to read as follows:
- 20 (1) The department of commerce must maintain a list of all
- 21 homeowners' associations and eligible organizations that submit to
- 22 the department of commerce a written request to receive notices of
- 23 opportunity to purchase or lease manufactured/mobile home communities
- 24 pursuant to section 5 of this act. The list must include the
- 25 following information:
- 26 (a) The name and mailing address of the homeowners' association
- 27 or eligible organization; and
- 28 (b) A statement that the homeowners' association or eligible
- 29 organization wishes to purchase or lease a manufactured/mobile home
- 30 community.
- 31 (2) The department of commerce must provide a copy of the list
- 32 required to be maintained under this section to any person upon
- 33 request.
- 34 <u>NEW SECTION.</u> **Sec. 8.** A new section is added to chapter 59.20
- 35 RCW to read as follows:
- 36 (1) A landlord who sells or transfers a manufactured/mobile home
- 37 community and willfully fails to comply with section 4 or 5 of this

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act or RCW 59.20.305 is liable to the state of Washington for a civil penalty in the amount of the greater of ten thousand dollars or ten percent of the total sale price. This penalty is the exclusive remedy for a violation of section 4 or 5 of this act or RCW 59.20.305.

(2) The attorney general may bring a civil action in superior court in the name of the state against a landlord under this section.

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NEW SECTION. Sec. 9. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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