
SUBSTITUTE HOUSE BILL 1997

State of Washington

66th Legislature

2019 Regular Session

By House Housing, Community Development & Veterans (originally sponsored by Representatives Ryu, Pollet, Dolan, Valdez, Macri, Stanford, Appleton, Santos, and Doglio)

1 AN ACT Relating to manufactured/mobile homes; amending RCW
2 46.17.155, 59.30.050, and 59.21.050; reenacting and amending RCW
3 82.45.010; adding a new section to chapter 59.21 RCW; and creating a
4 new section.

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

6 **Sec. 1.** RCW 46.17.155 and 2010 c 161 s 511 are each amended to
7 read as follows:

8 (1) Before accepting an application for a certificate of title
9 for an original or transfer manufactured home transaction as required
10 in this title or chapter 65.20 RCW, the department, county auditor or
11 other agent, or subagent appointed by the director shall require the
12 applicant to pay a ~~((one hundred dollar))~~ fee, in accordance with
13 subsection (4) of this section, in addition to any other fees and
14 taxes required by law if the manufactured home:

15 (a) Is located in a mobile home park;

16 (b) Is one year old or older; and

17 (c) Is new or ownership changes, excluding changes that involve
18 adding or deleting spouse or domestic partner coregistered owners or
19 legal owners(~~;~~ ~~and~~

20 ~~(d) Sales price is five thousand dollars or more)).~~

1 (2) The ~~((one hundred dollar))~~ fee amount established in
2 subsection (4) of this section must be forwarded to the state
3 treasurer, who shall deposit the fee in the mobile home park
4 relocation fund created in RCW 59.21.050.

5 (3) The department and the state treasurer may adopt rules
6 necessary to carry out this section.

7 (4) The amount of the fee that the department must collect must
8 be 0.25 percent of the sale price of the manufactured home, but in no
9 case may the fee be less than one hundred dollars or greater than
10 five hundred dollars.

11 **Sec. 2.** RCW 59.30.050 and 2013 c 144 s 42 are each amended to
12 read as follows:

13 (1) The department must register all manufactured/mobile home
14 communities, which registration must be renewed annually. Each
15 community must be registered separately. The department must mail
16 registration notifications to all known manufactured/mobile home
17 community landlords. Registration information packets must include:

18 (a) Registration forms; and

19 (b) Registration assessment information, including registration
20 due dates and late fees, and the collections procedures, liens, and
21 charging costs to tenants.

22 (2) To apply for registration or registration renewal, the
23 landlord of a manufactured/mobile home community must file with the
24 department an application for registration or registration renewal on
25 a form provided by the department and must pay a registration fee as
26 described in subsection (3) of this section. The department may
27 require the submission of information necessary to assist in
28 identifying and locating a manufactured/mobile home community and
29 other information that may be useful to the state, which must
30 include, at a minimum:

31 (a) The names and addresses of the owners of the manufactured/
32 mobile home community;

33 (b) The name and address of the manufactured/mobile home
34 community;

35 (c) The name and address of the landlord and manager of the
36 manufactured/mobile home community;

37 (d) The number of lots within the manufactured/mobile home
38 community that are subject to chapter 59.20 RCW; and

1 (e) The addresses of each manufactured/mobile home lot within the
2 manufactured/mobile home community that is subject to chapter 59.20
3 RCW.

4 (3) Each manufactured/mobile home community landlord must pay to
5 the department:

6 (a) A one-time business license application fee for the first
7 year of registration and, in subsequent years, an annual renewal
8 application fee, as provided in RCW 19.02.075; and

9 (b) An annual registration assessment of ~~((ten))~~ fifteen dollars
10 for each manufactured/mobile home that is subject to chapter 59.20
11 RCW within a manufactured/mobile home community. Manufactured/mobile
12 home community landlords may charge a maximum of five dollars of this
13 assessment to tenants. Nine dollars of the registration assessment
14 for each manufactured/mobile home must be deposited into the
15 manufactured/mobile home dispute resolution program account created
16 in RCW 59.30.070 to fund the costs associated with the manufactured/
17 mobile home dispute resolution program. ~~((The remaining))~~ One dollar
18 of the registration assessment must be deposited into the business
19 license account created in RCW 19.02.210. The remaining five dollars
20 of the registration assessment must be deposited into the mobile home
21 park relocation fund created in RCW 59.21.050. The annual
22 registration assessment must be reviewed once each biennium by the
23 department and the attorney general and may be adjusted to reasonably
24 relate to the cost of administering this chapter. The registration
25 assessment may not exceed ~~((ten))~~ fifteen dollars, but if the
26 assessment is reduced, the portion allocated to the manufactured/
27 mobile home dispute resolution program account ~~((and))~~, the business
28 license account, and the mobile home park relocation fund must be
29 adjusted proportionately.

30 (4) Initial registrations of manufactured/mobile home communities
31 must be filed before November 1, 2007, or within three months of the
32 availability of mobile home lots for rent within the community. The
33 manufactured/mobile home community is subject to a delinquency fee of
34 two hundred fifty dollars for late initial registrations. The
35 delinquency fee must be deposited in the business license account.
36 Renewal registrations that are not renewed by the expiration date as
37 assigned by the department are subject to delinquency fees under RCW
38 19.02.085.

39 (5) Thirty days after sending late fee notices to a noncomplying
40 landlord, the department may issue a warrant under RCW 59.30.090 for

1 the unpaid registration assessment and delinquency fee. If a warrant
2 is issued by the department under RCW 59.30.090, the department must
3 add a penalty of ten percent of the amount of the unpaid registration
4 assessment and delinquency fee, but not less than ten dollars. The
5 warrant penalty must be deposited into the business license account
6 created in RCW 19.02.210. Chapter 82.32 RCW applies to the collection
7 of warrants issued under RCW 59.30.090.

8 (6) Registration is effective on the date determined by the
9 department, and the department must issue a registration number to
10 each registered manufactured/mobile home community. The department
11 must provide an expiration date, assigned by the department, to each
12 manufactured/mobile home community who registers.

13 NEW SECTION. **Sec. 3.** A new section is added to chapter 59.21
14 RCW to read as follows:

15 (1) A relocation coordination program is created within the
16 department for the purpose of assisting tenants of a mobile home park
17 scheduled for closure or conversion to another use with the process
18 of relocation.

19 (2) The relocation coordination program assistance may include,
20 but is not limited to, performing casework on behalf of individual
21 tenants, maintaining and distributing informational resources for
22 tenants regarding the process for relocating and disposal of
23 manufactured/mobile homes, researching and distributing current
24 information regarding available locations for manufactured/mobile
25 homes and other forms of available housing, and researching and
26 distributing information regarding other sources of financial
27 assistance that may be available to secure new housing.

28 **Sec. 4.** RCW 59.21.050 and 2011 c 158 s 7 are each amended to
29 read as follows:

30 (1) (a) The existence of the mobile home park relocation fund in
31 the custody of the state treasurer is affirmed.

32 (b) Expenditures from the fund may only be used as follows:

33 (i) Except as provided in subsection (3) of this section, all
34 moneys received from the fee as specified in RCW 46.17.155 must be
35 used only for relocation assistance awarded under this chapter.

36 (ii) All moneys received from the fee as specified in RCW
37 59.30.050 must be used only for the relocation coordination program
38 created in section 3 of this act.

1 (c) Only the director or the director's designee may authorize
2 expenditures from the fund. All relocation payments to tenants shall
3 be made from the fund. The fund is subject to allotment procedures
4 under chapter 43.88 RCW, but no appropriation is required for
5 expenditures.

6 (2) A park tenant is eligible for assistance under this chapter
7 only after an application is submitted by that tenant or an
8 organization acting on the tenant's account under RCW 59.21.021(4) on
9 a form approved by the director which shall include:

10 (a) For those persons who maintained ownership of and relocated
11 their homes or removed their homes from the park: (i) A copy of the
12 notice from the park-owner, or other adequate proof, that the tenancy
13 is terminated due to closure of the park or its conversion to another
14 use; (ii) a copy of the rental agreement then in force, or other
15 proof that the applicant was a tenant at the time of notice of
16 closure; (iii) a copy of the contract for relocating the home which
17 includes the date of relocation, or other proof of actual relocation
18 expenses incurred on a date certain; and (iv) a statement of any
19 other available assistance;

20 (b) For those persons who sold their homes and incurred no
21 relocation expenses: (i) A copy of the notice from the park-owner, or
22 other adequate proof, that the tenancy is terminated due to closure
23 of the park or its conversion to another use; (ii) a copy of the
24 rental agreement then in force, or other proof that the applicant was
25 a tenant at the time of notice of closure; and (iii) a copy of the
26 record of title transfer issued by the department of licensing when
27 the tenant sold the home rather than relocate it due to park closure
28 or conversion.

29 (3) The department may deduct a percentage amount of the fee
30 collected under RCW 46.17.155 for administration expenses incurred by
31 the department.

32 **Sec. 5.** RCW 82.45.010 and 2018 c 223 s 3 and 2018 c 221 s 1 are
33 each reenacted and amended to read as follows:

34 (1) As used in this chapter, the term "sale" has its ordinary
35 meaning and includes any conveyance, grant, assignment, quitclaim, or
36 transfer of the ownership of or title to real property, including
37 standing timber, or any estate or interest therein for a valuable
38 consideration, and any contract for such conveyance, grant,
39 assignment, quitclaim, or transfer, and any lease with an option to

1 purchase real property, including standing timber, or any estate or
2 interest therein or other contract under which possession of the
3 property is given to the purchaser, or any other person at the
4 purchaser's direction, and title to the property is retained by the
5 vendor as security for the payment of the purchase price. The term
6 also includes the grant, assignment, quitclaim, sale, or transfer of
7 improvements constructed upon leased land.

8 (2) (a) The term "sale" also includes the transfer or acquisition
9 within any twelve-month period of a controlling interest in any
10 entity with an interest in real property located in this state for a
11 valuable consideration.

12 (b) For the sole purpose of determining whether, pursuant to the
13 exercise of an option, a controlling interest was transferred or
14 acquired within a twelve-month period, the date that the option
15 agreement was executed is the date on which the transfer or
16 acquisition of the controlling interest is deemed to occur. For all
17 other purposes under this chapter, the date upon which the option is
18 exercised is the date of the transfer or acquisition of the
19 controlling interest.

20 (c) For purposes of this subsection, all acquisitions of persons
21 acting in concert must be aggregated for purposes of determining
22 whether a transfer or acquisition of a controlling interest has taken
23 place. The department must adopt standards by rule to determine when
24 persons are acting in concert. In adopting a rule for this purpose,
25 the department must consider the following:

26 (i) Persons must be treated as acting in concert when they have a
27 relationship with each other such that one person influences or
28 controls the actions of another through common ownership; and

29 (ii) When persons are not commonly owned or controlled, they must
30 be treated as acting in concert only when the unity with which the
31 purchasers have negotiated and will consummate the transfer of
32 ownership interests supports a finding that they are acting as a
33 single entity. If the acquisitions are completely independent, with
34 each purchaser buying without regard to the identity of the other
35 purchasers, then the acquisitions are considered separate
36 acquisitions.

37 (3) The term "sale" does not include:

38 (a) A transfer by gift, devise, or inheritance.

1 (b) A transfer by transfer on death deed, to the extent that it
2 is not in satisfaction of a contractual obligation of the decedent
3 owed to the recipient of the property.

4 (c) A transfer of any leasehold interest other than of the type
5 mentioned above.

6 (d) A cancellation or forfeiture of a vendee's interest in a
7 contract for the sale of real property, whether or not such contract
8 contains a forfeiture clause, or deed in lieu of foreclosure of a
9 mortgage.

10 (e) The partition of property by tenants in common by agreement
11 or as the result of a court decree.

12 (f) The assignment of property or interest in property from one
13 spouse or one domestic partner to the other spouse or other domestic
14 partner in accordance with the terms of a decree of dissolution of
15 marriage or state registered domestic partnership or in fulfillment
16 of a property settlement agreement.

17 (g) The assignment or other transfer of a vendor's interest in a
18 contract for the sale of real property, even though accompanied by a
19 conveyance of the vendor's interest in the real property involved.

20 (h) Transfers by appropriation or decree in condemnation
21 proceedings brought by the United States, the state or any political
22 subdivision thereof, or a municipal corporation.

23 (i) A mortgage or other transfer of an interest in real property
24 merely to secure a debt, or the assignment thereof.

25 (j) Any transfer or conveyance made pursuant to a deed of trust
26 or an order of sale by the court in any mortgage, deed of trust, or
27 lien foreclosure proceeding or upon execution of a judgment, or deed
28 in lieu of foreclosure to satisfy a mortgage or deed of trust.

29 (k) A conveyance to the federal housing administration or
30 veterans administration by an authorized mortgagee made pursuant to a
31 contract of insurance or guaranty with the federal housing
32 administration or veterans administration.

33 (l) A transfer in compliance with the terms of any lease or
34 contract upon which the tax as imposed by this chapter has been paid
35 or where the lease or contract was entered into prior to the date
36 this tax was first imposed.

37 (m) The sale of any grave or lot in an established cemetery.

38 (n) A sale by the United States, this state or any political
39 subdivision thereof, or a municipal corporation of this state.

1 (o) A sale to a regional transit authority or public corporation
2 under RCW 81.112.320 under a sale/leaseback agreement under RCW
3 81.112.300.

4 (p) A transfer of real property, however effected, if it consists
5 of a mere change in identity or form of ownership of an entity where
6 there is no change in the beneficial ownership. These include
7 transfers to a corporation or partnership which is wholly owned by
8 the transferor and/or the transferor's spouse or domestic partner or
9 children of the transferor or the transferor's spouse or domestic
10 partner. However, if thereafter such transferee corporation or
11 partnership voluntarily transfers such real property, or such
12 transferor, spouse or domestic partner, or children of the transferor
13 or the transferor's spouse or domestic partner voluntarily transfer
14 stock in the transferee corporation or interest in the transferee
15 partnership capital, as the case may be, to other than (i) the
16 transferor and/or the transferor's spouse or domestic partner or
17 children of the transferor or the transferor's spouse or domestic
18 partner, (ii) a trust having the transferor and/or the transferor's
19 spouse or domestic partner or children of the transferor or the
20 transferor's spouse or domestic partner as the only beneficiaries at
21 the time of the transfer to the trust, or (iii) a corporation or
22 partnership wholly owned by the original transferor and/or the
23 transferor's spouse or domestic partner or children of the transferor
24 or the transferor's spouse or domestic partner, within three years of
25 the original transfer to which this exemption applies, and the tax on
26 the subsequent transfer has not been paid within sixty days of
27 becoming due, excise taxes become due and payable on the original
28 transfer as otherwise provided by law.

29 (q) (i) A transfer that for federal income tax purposes does not
30 involve the recognition of gain or loss for entity formation,
31 liquidation or dissolution, and reorganization, including but not
32 limited to nonrecognition of gain or loss because of application of
33 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal
34 revenue code of 1986, as amended.

35 (ii) However, the transfer described in (q) (i) of this subsection
36 cannot be preceded or followed within a twelve-month period by
37 another transfer or series of transfers, that, when combined with the
38 otherwise exempt transfer or transfers described in (q) (i) of this
39 subsection, results in the transfer of a controlling interest in the
40 entity for valuable consideration, and in which one or more persons

1 previously holding a controlling interest in the entity receive cash
2 or property in exchange for any interest the person or persons acting
3 in concert hold in the entity. This subsection (3)(q)(ii) does not
4 apply to that part of the transfer involving property received that
5 is the real property interest that the person or persons originally
6 contributed to the entity or when one or more persons who did not
7 contribute real property or belong to the entity at a time when real
8 property was purchased receive cash or personal property in exchange
9 for that person or persons' interest in the entity. The real estate
10 excise tax under this subsection (3)(q)(ii) is imposed upon the
11 person or persons who previously held a controlling interest in the
12 entity.

13 (r) A qualified sale of a manufactured/mobile home community, as
14 defined in RCW 59.20.030(~~(, that takes place on or after June 12,~~
15 ~~2008, but before December 31, 2018)~~).

16 (s)(i) A transfer of a qualified low-income housing development
17 or controlling interest in a qualified low-income housing
18 development, unless, due to noncompliance with federal statutory
19 requirements, the seller is subject to recapture, in whole or in
20 part, of its allocated federal low-income housing tax credits within
21 the four years prior to the date of transfer.

22 (ii) For purposes of this subsection (3)(s), "qualified low-
23 income housing development" means real property and improvements in
24 respect to which the seller or, in the case of a transfer of a
25 controlling interest, the owner or beneficial owner, was allocated
26 federal low-income housing tax credits authorized under 26 U.S.C.
27 Sec. 42 or successor statute, by the Washington state housing finance
28 commission or successor state-authorized tax credit allocating
29 agency.

30 (iii) This subsection (3)(s) does not apply to transfers of a
31 qualified low-income housing development or controlling interest in a
32 qualified low-income housing development occurring on or after July
33 1, 2035.

34 (iv) The Washington state housing finance commission, in
35 consultation with the department, must gather data on: (A) The fiscal
36 savings, if any, accruing to transferees as a result of the exemption
37 provided in this subsection (3)(s); (B) the extent to which
38 transferors of qualified low-income housing developments receive
39 consideration, including any assumption of debt, as part of a
40 transfer subject to the exemption provided in this subsection (3)(s);

1 and (C) the continued use of the property for low-income housing. The
2 Washington state housing finance commission must provide this
3 information to the joint legislative audit and review committee. The
4 committee must conduct a review of the tax preference created under
5 this subsection (3)(s) in calendar year 2033, as required under
6 chapter 43.136 RCW.

7 (t)(i) A qualified transfer of residential property by a legal
8 representative of a person with developmental disabilities to a
9 qualified entity subject to the following conditions:

10 (A) The adult child with developmental disabilities of the
11 transferor of the residential property must be allowed to reside in
12 the residence or successor property so long as the placement is safe
13 and appropriate as determined by the department of social and health
14 services;

15 (B) The title to the residential property is conveyed without the
16 receipt of consideration by the legal representative of a person with
17 developmental disabilities to a qualified entity;

18 (C) The residential property must have no more than four living
19 units located on it; and

20 (D) The residential property transferred must remain in continued
21 use for fifty years by the qualified entity as supported living for
22 persons with developmental disabilities by the qualified entity or
23 successor entity. If the qualified entity sells or otherwise conveys
24 ownership of the residential property the proceeds of the sale or
25 conveyance must be used to acquire similar residential property and
26 such similar residential property must be considered the successor
27 for continued use. The property will not be considered in continued
28 use if the department of social and health services finds that the
29 property has failed, after a reasonable time to remedy, to meet any
30 health and safety statutory or regulatory requirements. If the
31 department of social and health services determines that the property
32 fails to meet the requirements for continued use, the department of
33 social and health services must notify the department and the real
34 estate excise tax based on the value of the property at the time of
35 the transfer into use as residential property for persons with
36 developmental disabilities becomes immediately due and payable by the
37 qualified entity. The tax due is not subject to penalties, fees, or
38 interest under this title.

39 (ii) For the purposes of this subsection (3)(t) the definitions
40 in RCW 71A.10.020 apply.

1 (iii) A "qualified entity" is:

2 (A) A nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3)
3 of the federal internal revenue code of 1986, as amended, as of June
4 7, 2018, or a subsidiary under the same taxpayer identification
5 number that provides residential supported living for persons with
6 developmental disabilities; or

7 (B) A nonprofit adult family home, as defined in RCW 70.128.010,
8 that exclusively serves persons with developmental disabilities.

9 (iv) In order to receive an exemption under this subsection
10 (3)(t) an affidavit must be submitted by the transferor of the
11 residential property and must include a copy of the transfer
12 agreement and any other documentation as required by the department.

13 NEW SECTION. **Sec. 6.** The provisions of RCW 82.32.805 and
14 82.32.808 do not apply to section 5 of this act.

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