

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass with Amendments to the A-Engrossed Measure. (Printed B-Engrossed)
Signers of the Report: Sen. Baertschiger Jr. and Sen. George
Prepared By: Channa Newell, Administrator
Meeting Dates: 2/17

WHAT THE MEASURE DOES: Requires owner of manufactured dwelling park to give tenants or specific tenant association written notice of owner's interest in selling the park prior to owner marketing park or considering offers on park. Specifies persons receiving notice and contents of notice. Requires tenants to notify owner within ten days of receiving notice of tenants' interest in competing for park. Requires owner to disclose certain park-related financial information. Specifies process for maintaining confidentiality of documents. Describes process for tenants in pursuit of park purchase. Requires all parties to act in commercially reasonable manner throughout process. Specifies remedies available to tenants and owners should party fail to comply with measure. Excludes transfers due to death, gift, corporate or partnership transfer, limited liability corporation transfer, foreclosure, eminent domain, and transfer to charitable trust. Allows owner of park to file affidavit with county clerk in county in which park is located certifying compliance with terms of measure. Allows absolute reliance on affidavit by party acquiring interest in park or title insurance company. Clarifies current statutes relating to marina and tenant associations.

ISSUES DISCUSSED:

- Current practices for tenant purchase of park
- Interim work group process and efforts
- Timelines for notice and financial information
- Need for exclusion of limited liability corporation transfers

EFFECT OF MINORITY AMENDMENT: Requires notification to owner of specific tenant committee to receive sale notice, should more than one tenant committee exist within park. Excludes transfers between limited liability corporation members from measure requirements. Removes effective date.

BACKGROUND: Current law provides guidance on the sale of manufactured dwelling parks to tenants of the park. The law specifies that owners must give notice of potential sale to tenants if a tenants association has provided prior notification of interest in purchasing the park. Current law also gives tenants a 14-day right of first refusal on purchasing the park. Housing advocates argue that current statute is vague and difficult to implement when tenants attempt to purchase a park.

House Bill 4038-MRB creates a new process that specifies how tenants may compete to purchase a manufactured dwelling park. The measure requires landlords to give notice to all tenants and tenant associations prior to listing the park or selling the park. Tenants then have 10 days to notify the owner of their interest in the park. The measure supplies additional details on the process for tenant purchase of a park.