

Fees and lab quality control requirements for persons receiving state or federal wastewater discharge permits shall not be implemented before September 30, 1988. The department shall not duplicate any laboratory quality control requirements imposed by the United States environmental protection agency.

NEW SECTION. Sec. 2. A new section is added to chapter 43.21A RCW to read as follows:

Laboratories owned by persons holding wastewater discharge permits and operated solely for their own use which participate in quality assurance programs administered by the federal environmental protection agency shall be exempt from certification and fee requirements for the specific methods and tests which are the subject of such quality assurance programs.

Passed the House April 22, 1987.

Passed the Senate April 15, 1987.

Approved by the Governor May 19, 1987.

Filed in Office of Secretary of State May 19, 1987.

CHAPTER 482

[Engrossed Substitute House Bill No. 995] MOBILE HOME PARKS PURCHASE FUND

AN ACT Relating to the mobile home park purchase fund and providing technical assistance; adding a new chapter to Title 59 RCW; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) The legislature finds:

(a) That manufactured housing and mobile home parks provide a source of low-cost housing to the low income, elderly, poor and infirmed, without which they could not afford private housing; but rising costs of mobile home park development and operation, as well as turnover in ownership, has resulted in mobile home park living becoming unaffordable to the low income, elderly, poor and infirmed, resulting in increased numbers of homeless persons, and persons who must look to public housing and public programs, increasing the burden on the state to meet the housing needs of its residents;

(b) That state government can play a vital role in addressing the problems confronted by mobile home park residents by providing assistance which makes it possible for mobile home park residents to acquire the mobile home parks in which they reside and convert them to resident ownership; and

(c) That to accomplish this purpose, information and technical support shall be made available through the department of community development.

(2) Therefore, it is the intent of the legislature, in order to maintain low-cost housing in mobile home parks to benefit the low income, elderly,

poor and infirmed, to encourage and facilitate the conversion of mobile home parks to resident ownership, to protect low-income mobile home park residents from both physical and economic displacement, to obtain a high level of private financing for mobile home park conversions, and to help establish acceptance for resident-owned mobile home parks in the private market.

NEW SECTION. Sec. 2. The following definitions shall apply throughout this chapter unless the context clearly requires otherwise:

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

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

(3) "Department" means the department of community development.

(4) "Fund" means the mobile home park purchase fund created pursuant to section 4 of this act.

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

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

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

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

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

(7) "Low-income resident" means an individual or household who resided in the mobile home park prior to application for a loan pursuant to this chapter and with an annual income at or below eighty percent of the median income for the county of standard metropolitan statistical area of residence. Net worth shall be considered in the calculation of income with the exception of the resident's mobile/manufactured home which is used as their primary residence.

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

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

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

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

***NEW SECTION. Sec. 3. Nothing in this chapter shall limit the park owner's right to exert full management and control of a portion of a park retained in the case of a sale of a portion of a mobile home park to a resident organization.**

*Sec. 3 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 4. The mobile home park purchase fund is hereby created and shall be maintained in the office of the treasurer. The purpose of this fund is to provide loans according to the provisions of this chapter and for related administrative costs of the department. The fund shall include appropriations, loan repayments, interest, and any other money from private sources made available to the state for the purposes of this chapter. Owners of mobile home parks shall not be assessed for the purposes of this fund.

***NEW SECTION. Sec. 5. (1) Subject to appropriation, the department may make loans from the fund to resident organizations for the purpose of financing mobile home park conversion costs, as defined in this chapter.**

(2) Loans provided pursuant to this section shall be for a term of no more than three years and shall bear interest at a competitive rate set by the department and adjusted by the department when necessary.

(3) Loans granted pursuant to this section shall be for the least amount necessary to enable a resident organization to acquire and convert the mobile home park in which its members reside. However, in no case shall the loan amount exceed fifty percent of the approved conversion costs.

(4) The department shall only make loans to resident organizations of mobile home parks where a significant portion of the residents are low income, elderly, poor or infirmed.

*Sec. 5 was vetoed, see message at end of chapter.

***NEW SECTION. Sec. 6. (1) The department may make loans from the fund to low-income residents of mobile home parks converted to resident**

ownership or to resident organizations which have converted or plan to convert a mobile home park to resident ownership. The purpose of providing loans pursuant to this section is to reduce the monthly housing costs for low-income residents to an affordable level.

(2) Loans provided pursuant to this section shall be for a term of no more than thirty years and shall bear interest at a competitive rate set by the department.

(3) The department may establish flexible repayment terms for loans provided pursuant to this section if the terms are necessary to reduce monthly housing costs for low-income residents to an affordable level and do not represent an unacceptable risk to the security of the fund.

(4) Loans provided to low-income residents pursuant to this section shall be for the least amount necessary to reduce the borrower's monthly housing costs to an affordable level. However, in no case shall loan amounts exceed fifty percent of the acquisition costs of the individual interests in the mobile home parks. In addition, the total indebtedness upon individual interests may not exceed ninety percent of the value of the interests.

(5) Loans provided to resident organizations pursuant to this section shall be for the least amount necessary to reduce the monthly housing costs of low-income residents to an affordable level. However, in no case shall the loan amounts exceed fifty percent of the conversions costs attributable to the low-income spaces. Funds provided pursuant to this section shall not be used to assist residents who are not low-income, or to reduce monthly housing costs for low-income residents to less than thirty percent of their monthly income.

*Sec. 6 was vetoed, see message at end of chapter.

***NEW SECTION.** Sec. 7. *In determining the eligibility for, and the amount of, loans pursuant to sections 5 and 6 of this act, the department shall take into consideration, among other factors, all of the following: (1) The reasonableness of the conversion costs relating to repairs, rehabilitation, construction, or other costs; (2) whether or not the project complements the implementation of a local housing program to preserve or increase the supply of housing for persons and families of low or moderate income; (3) whether or not state funds are utilized in the most efficient and effective manner in the furtherance of the goals of this chapter; and (4) any administrative and security factors affecting the department's program operation and administration.*

To the extent consistent with requests for assistance, the department shall allocate funds available for the purposes of this chapter throughout the state in accordance with identified housing needs, including seeking to allocate not less than twenty percent to rural areas.

*Sec. 7 was vetoed, see message at end of chapter.

***NEW SECTION.** Sec. 8. (1) *The department shall adopt regulations for the administration and implementation of this chapter.*

(2) The department shall obtain the best available security for loans made pursuant to this chapter. The security may be in the form of a note, deed of trust, assignment of lease, or other form of security on real or personal property which the department determines is adequate to protect the security of the fund and the interests of the state. To the extent applicable, these security documents shall be recorded or referenced in a recorded document in the office of the county auditor of the county in which the mobile home park is located.

(3) The department shall exercise sufficient regulatory control with respect to park operations to assure the accomplishment of the purposes of the program authorized by this chapter.

(4) Before providing financing pursuant to this chapter, the department shall require provision of, and approve, at least the following:

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

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

(c) Verification that the conversion is consistent with local zoning and land use requirements, other applicable state and local laws, and regulations and ordinances;

(d) Projected costs and sources of funds for all conversion activities;

(e) Projected operating budget for the park during and after conversion;

(f) A management plan for the conversion and operation of the park; and

(g) If necessary, a relocation plan, funded by the resident organization, for residents not participating.

(5) The department shall, to the greatest extent feasible, do both of the following:

(a) Require participation by cities and counties in loan applications submitted pursuant to this chapter; and

(b) Contract with private lenders or units of local government to provide program administration and to service loans made pursuant to this chapter.

*Sec. 8 was vetoed, see message at end of chapter.

***NEW SECTION.** Sec. 9. (1) The department shall provide technical assistance to resident organizations or low-income residents who wish to convert the mobile home park in which they reside to resident ownership or to acquire an individual interest in a mobile home park. Technical assistance provided under this section shall be general in nature and shall not include the final details connected with the sale or conversion of a mobile home park which would require the department to act in a representative capacity, or would require the department to draft documents affecting legal or property rights of the parties.

(2) As part of the general assistance to mobile home resident organizations, park owners, and landlords and tenants, the department shall establish an office of mobile home affairs which will serve as the coordinating office within state government for matters relating to mobile homes or manufactured housing.

This office will provide an ombudsman service to mobile home park owners and mobile home tenants with respect to problems and disputes between park owners and park residents and to provide technical assistance under subsection (1) of this section. The office will keep records of its activities in this area.

This office will also provide an ombudsman service to mobile home park owners and mobile home tenants with respect to accessing governmental services related to health and safety within mobile home parks.

This office will further recommend policies and strategies that will promote the development and utilization of mobile homes or manufactured housing and the conversion of mobile home parks to resident ownership as a means of enhancing the supply of safe, sanitary, low and moderate-income housing within the state, and advise the legislature, executive agencies of state government, and local government entities accordingly.

The office may not consider, evaluate, or develop policies or any means of government controlling the economic return to mobile home park owners resulting from operation of their parks.

(3) The department shall establish the mobile home and manufactured housing affairs advisory committee. The committee shall consist of five members appointed by the director of the department of community development. The committee shall be comprised of one representative of mobile home park tenants, one representative of mobile home park owners, and one representative of the public at large, each of whom shall be knowledgeable and have practical experience with the mobile home landlord tenant act, one representative of mobile home manufacturers and one representative of local governments. Only the representatives of the mobile home park tenants, mobile home park owners, and the public at large shall review and advise the office on issues relating to the mobile home landlord tenant act. The director of the department of community development shall appoint the committee chairperson. The entire committee shall advise the office in implementing the provisions of subsections (1) and (2) of this section. The members of the committee shall not receive compensation or reimbursement for travel expenses.

*Sec. 9 was vetoed, see message at end of chapter.

***NEW SECTION.** Sec. 10. Within two years of the completion of a sufficient number of mobile home park conversions to allow for meaningful evaluation, the department shall undertake an evaluation of the program established by this chapter, and submit its findings to the legislature. However, in no event shall this report be submitted later than December 31, 1990. This evaluation shall include an examination of the financial, governmental, and

institutional constraints on the conversion of mobile home parks; the impact of park conversions upon low-income residents, including those residents who moved from the parks during the conversion process or within one year after conversion; the distribution and average income and assets of residents who have participated; data on loan delinquencies and defaults; the costs of acquiring and converting mobile home parks to resident ownership; and a comparison of different resident ownership structures financed pursuant to this chapter.

*Sec. 10 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 11. Sections 1 through 10 of this act shall constitute a new chapter in Title 59 RCW.

NEW SECTION. Sec. 12. This chapter shall remain in effect until July 1, 1991, and as of that date is repealed, unless that date is extended.

Passed the House April 22, 1987.

Passed the Senate April 13, 1987.

Approved by the Governor May 19, 1987, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 19, 1987.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to sections 3, 5, 6, 7, 8, 9 and 10, Engrossed Substitute House Bill No. 995, entitled:

"AN ACT Relating to the mobile home park purchase fund and providing technical assistance."

Engrossed Substitute House Bill No. 995 establishes a mobile home park purchase fund and requires the Department of Community Development to establish an office of mobile home affairs, provide ombudsman services and technical assistance, and staff a new advisory committee on mobile home and manufactured housing affairs.

Although I concur that manufactured housing and mobile homes provide an important source of low-income housing in Washington State, this bill would establish an extensive new program and subsidies in an area in which state government has no experience. Further, the Legislature did not appropriate funding for this ambitious and costly new program.

Sections 3, 5, 6, 7 and 8 set up the internal policies and procedures of the mobile home park purchase fund. The Housing Committee of the House of Representatives will be looking at potential funding sources for a park purchase program over the interim to address next session. Therefore, it is premature to now outline specific internal fund policies and to mandate the development of regulations before having answered the more basic question of a financing source.

Section 9 includes several substantive but unfunded program activities for the Department of Community Development. Although I am vetoing this section, I have requested the department to establish an office of mobile home affairs and the provide technical assistance to mobile home tenants and park owners. By establishing this office, the department will be able to gain experience with mobile home and manufactured housing issues and will begin to collect information on additional program needs. The department's experience in providing this initial technical assistance may well demonstrate the need for other elements of this bill and warrant expansion of this program in future legislation.

Another difficulty with proposed language in section 9 is the requirement that the Department of Community Development "promote the development and utilization of mobile homes or manufactured housing." I have eliminated this paragraph because I feel it is inappropriate for the Department to advocate on behalf of a narrow segment of housing options (mobiles and manufactured units) when Department of Community Development's overall agency mission is to help develop low-income housing and involves working on a broader range of housing supply types.

Subsection 3 of section 9 would establish a narrowly-focused advisory committee in statute. Boards, commissions, committees, task forces and similar entities have proliferated in this state, and now number over 400. The director of Community Development has authority to create ad hoc advisory groups as the need arises. This authority makes it unnecessary to create advisory committees in statute.

Section 10 requires the department to evaluate programs established in the bill. With no programs being established, such an evaluation would be irrelevant.

Although several sections have been vetoed, I have retained sections related to the mobile home park purchase fund framework and have requested the department to undertake technical assistance activities. This will allow the state to pursue the worthy goal of protecting mobile home parks as an important source of low-income housing consistent with our current level of knowledge and fiscal capacity. I am also asking the Department to ensure that it coordinates implementation of this legislation with its work on the Housing Trust Fund, which might be utilized in conjunction with the mobile home park purchase fund established by this legislation.

With the exception of sections 3, 5 6, 7, 8, 9, and section 10, Engrossed Substitute House Bill No. 995 is approved.*

CHAPTER 483

[Engrossed Substitute Senate Bill No. 6064]

HOTEL AND MOTEL SPECIAL EXCISE TAX—REVISIONS

AN ACT Relating to the local excise tax on lodgings for purposes of stadium, convention, performing arts, and visual arts facilities in counties currently imposing the county-option tax upon transactions simultaneously subject to the lodgings tax of a city or cities; and amending RCW 67.28.180.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 11, chapter 236, Laws of 1967 as last amended by section 1, chapter 104, Laws of 1986 and RCW 67.28.180 are each amended to read as follows:

(1) Subject to the conditions set forth in subsections (2) and (3) of this section, the legislative body of any county or any city, is authorized to levy and collect a special excise tax of not to exceed two percent on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property: PROVIDED, That it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or to enjoy the same.

(2) Any levy authorized by this section shall be subject to the following: