

# Sales of Manufactured and Mobile Home Communities

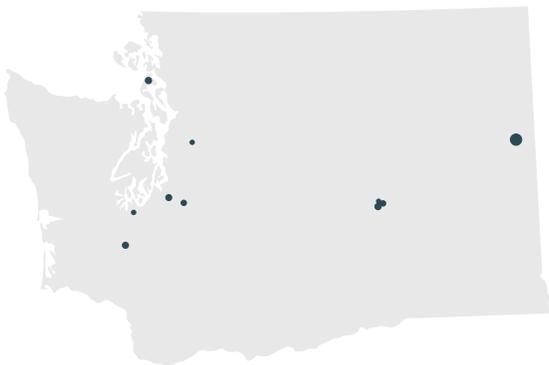
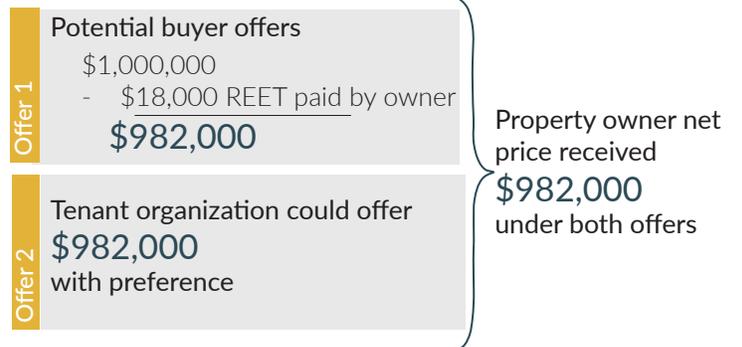
JLARC Staff 2017 Tax Preference Performance Evaluation

Real Estate Excise Tax Preference

Objectives (stated)	Results
Encourage and facilitate preservation of existing manufactured and mobile home communities.	<b>Met.</b> Preference increases the purchasing power of tenant organizations relative to other potential buyers.
Involve tenants and organizations representing tenants in preserving the communities where they live.	

**Seller does not pay real estate excise tax (REET) when selling to tenants**

Example: Property selling for \$1,000,000



**Tenant organizations purchased 10 communities since the preference enacted**



Source: JLARC staff analysis of grant and loan data from the Housing Finance Commission, ROC USA list of communities.

## Closures continue across the state

Department of Commerce received notice of 51 closures affecting up to 1,607 homes from 2007 through 2016. Eight communities are scheduled to close in 2017.

## Legislative Auditor recommendation: **Continue**

Preference meets public policy objectives. The Legislature should consider adding a performance statement with metrics for future reviews.

The complete report is on the JLARC web site.

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