SENATE BILL 5298

State of Washington 69th Legislature 2025 Regular Session

By Senators Frame and Bateman

AN ACT Relating to the notice of sale or lease of manufactured/ mobile home communities; amending RCW 59.20.325 and 59.20.335; and repealing RCW 59.20.300.

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

5 <u>NEW SECTION.</u> Sec. 1. RCW 59.20.300 (Manufactured/mobile home 6 communities—Notice of sale) and 2023 c 40 s 6, 2011 c 158 s 5, & 2008 7 c 116 s 4 are each repealed.

8 **Sec. 2.** RCW 59.20.325 and 2024 c 325 s 2 are each amended to 9 read as follows:

(1) An owner shall give written notice of an opportunity to 10 11 compete to purchase indicating the owner's interest in selling the 12 manufactured/mobile home community before the owner markets the 13 manufactured/mobile home community for sale or includes the sale of 14 the manufactured/mobile home community in a multiple listing, and 15 when the owner receives an offer to purchase that the owner intends 16 to consider ((unless that offer is received during the process under 17 RCW 59.20.330)).

18 (2) The owner shall give the notice in subsection (1) of this19 section by certified mail or personal delivery to:

- 1 (a) ((All)) Each tenant((s)) of the manufactured/mobile home
 2 community;
- 3 (b) ((A qualified tenant organization, if there is an existing qualified tenant organization within the manufactured/mobile home 5 community)) The officers of any known qualified tenant organization;
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(c) The department of commerce; ((and))

7 (d) The local government within whose jurisdiction all or part of 8 the manufactured/mobile home community exists;

9 (e) Any housing authority within whose jurisdiction all or part 10 of the manufactured/mobile home community exists; and

(f) The Washington state housing finance commission.

12 (3) The notice required in subsection (1) of this section must 13 include:

(a) The date that the notice was ((mailed by certified mail or
 personally)) delivered to all recipients set forth in subsection (2)
 of this section;

17 (b) A statement that the owner is considering selling the 18 manufactured/mobile home community or the property on which it sits;

(c) A statement that the tenants, through a qualified tenant organization representing a majority of the tenants in the community, based on home sites, or an eligible organization, have an opportunity to compete to purchase the manufactured/mobile home community;

23 (d) A statement that in order to compete to purchase the manufactured/mobile home community, within 70 days after the 24 25 certified mailing or personal delivery date stated in accordance with (a) of this subsection of the notice of the owner's interest in 26 selling the manufactured/mobile home community, the tenants must form 27 28 or identify a single qualified tenant organization for the purpose of 29 purchasing the manufactured/mobile home community and notify the owner in writing of: 30

31 (i) The tenants' interest in competing to purchase the 32 manufactured/mobile home community; and

33 (ii) The name and contact information of the representative or 34 representatives of the qualified tenant organization with whom the 35 owner may communicate about the purchase; and

36 (e) A statement that information about purchasing a manufactured/
 37 mobile home community is available from the department of commerce.

38 (4) The representative or representatives of the tenants 39 committee will be able to request park operating expenses ((described 40 in RCW 59.20.330)) from the owner within a 20-day information period

SB 5298

1 following delivery of the qualified tenant organization's notice to 2 the owner indicating interest in competing to purchase the 3 manufactured/mobile home community.

4 (5) An eligible organization may also compete to purchase and is 5 subject to the same time constraints and applicable conditions as a 6 qualified tenant organization.

7 (6) Electronic delivery of the notice of sale is acceptable to:

8 (a) The department of commerce;

9 (b) The local government within whose jurisdiction all or part of 10 the manufactured/mobile home community exists;

11 (c) Any housing authority within whose jurisdiction all or part 12 of the manufactured/mobile home community exists; and

13 (d) The Washington state housing finance commission.

14 <u>(7) Delivery of the notice of opportunity to compete to purchase</u>
15 <u>to the department of commerce must include:</u>

16 <u>(a) A complete list of all current tenants and contact</u> 17 <u>information listed on the leases within the manufactured/mobile home</u> 18 <u>community on a form as provided by the department of commerce; and</u>

19 (b) One copy of the notice as sent to each tenant of the 20 manufactured/mobile home community.

21 <u>(8) Notices sent under subsection (2)(c) through (f) of this</u>
22 section must be sent within 10 days of notices sent under subsection
23 (2)(a) and (b) of this section.

24 Sec. 3. RCW 59.20.335 and 2024 c 325 s 4 are each amended to 25 read as follows:

During the process described in RCW 59.20.325 ((and 26 (1)27 59.20.330)), the parties shall act in good faith and in a commercially reasonable manner, which includes a duty for the tenants 28 29 to notify the owner promptly if there is no intent to purchase the 30 manufactured/mobile home community or the property on which it sits. 31 The parties have an overall duty to act in good faith. With respect to negotiation, this overall duty of good faith requirement means 32 that the owner must allow the tenants to develop an offer, must give 33 their offer reasonable consideration, and to further competition, 34 must 35 inform any qualified tenant organization, eliqible organizations, and competing potential buyers participating in 36 negotiations upon receipt if a preferred offer is submitted. 37 38 Furthermore, the owner may not deny residents the same access to the 39 community and to information, such as operating expenses and rent

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1 rolls, that the landowner would give to a commercial buyer. With 2 respect to financial information, all parties shall agree to keep 3 this information confidential.

4 (2) Except as provided in RCW 59.20.340(1), before selling a
5 manufactured/mobile home community to an entity that is not formed by
6 or associated with the tenants, or to an eligible organization, the
7 owner of the manufactured/mobile home community must give the notice
8 required by RCW 59.20.325 ((and comply with the requirements of RCW
9 59.20.330)).

10 (3) A minor error in providing the notice required by RCW 11 59.20.325 ((or in providing operating expenses information required 12 by RCW 59.20.330)) does not prevent the owner from selling the 13 manufactured/mobile home community to an entity that is not formed by 14 or associated with the tenants and does not cause the owner to be 15 liable to the tenants for damages or a penalty.

16 (4) During the process described in RCW 59.20.325 ((and 17 59.20.330)), the owner may seek, negotiate with, or enter into a 18 contract subject to the rights of the tenants in chapter 40, Laws of 19 2023 with potential purchasers other than the tenants or an entity 20 formed by or associated with the tenants or another eligible 21 organization.

(5) If the owner does not comply with the requirements of chapter 40, Laws of 2023 in a substantial way that prevents the tenants or an eligible organization from competing to purchase the manufactured/ mobile home community, the tenants or eligible organization may:

(a) Obtain injunctive relief to prevent a sale or transfer to an
 entity that is not formed by or associated with the tenants; and

(b) Recover actual damages not to exceed twice the monthly rent from the owner for each tenant.

30 (6) If a party misuses or discloses, in a substantial way, 31 confidential information ((in violation of RCW 59.20.330)), that 32 party may recover actual damages from the other party.

33 (7) The department of commerce shall prepare and make available 34 information for tenants about purchasing a manufactured dwelling or 35 manufactured/mobile home community.

36 (8) Within six months from the date of delivery of a notice of 37 opportunity to compete to purchase as provided in RCW 59.20.325, the 38 owner must provide the department of commerce by mail, electronic 39 delivery, or personal delivery an update on the status of the 40 notification and an update on the status of sale. The update will be

p. 4

SB 5298

1	made publicly available by the department of commerce within 10
2	business days of receipt. The notice must include:
3	(a) The date that the notice was sent by mail, electronically
4	delivered, or personally delivered to all recipients as set forth in
5	<u>RCW 59.20.325;</u>
6	(b) The status of the sale or the opportunity to compete to
7	purchase of the property as active, under contract, closed, or
8	removed from the market;
9	(c) If the property has sold, the date of closing;
10	(d) If the property is under contract, the anticipated closing
11	<u>date;</u>
12	(e) If the property is active, any change in listing price and
13	other information noted in subsection (1) of this section.
14	(9) If the property does not sell within nine months from the
15	<u>date of delivery of the notice of sale and the owner still intends to</u>
16	sell the property, the owner shall serve a new notice of sale.

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