Property Tax Assessment of Mobile and Manufactured Homes

JANUARY 2015

Frequently asked questions

MOBILE HOME CLASSIFICATION

1. Are "mobile homes" the same as "manufactured homes?"

For property tax purposes, these have the same meaning. Both are dwellings (homes) designed and built on a permanent chassis that can be transported in one or more sections. A "mobile home" refers to those built before June 15, 1976, and a "manufactured home" refers to those built to HUD standards after that date. The term manufactured home will be used for this document.

2. Is a mobile/manufactured home the same as a "modular home?"

No. A modular home is different than a mobile home. It is built to state or local building codes, transported on flatbed trailer, and must be set on a permanent foundation. A modular home becomes part of the real property.

3. How does title elimination affect my manufactured home?

Title elimination is a lending requirement for certain types of financing. Title elimination is not required for property tax purposes and should not affect property taxation (see RCW 65.20.910), as most manufactured homes are already defined as real property.

4. Are manufactured homes considered real or personal property?

Manufactured homes are generally classified as real property for property tax purposes with the exception of for tax collection purposes when the home is moved or in transit. A manufactured home is specifically defined in Property Tax law as real property when it "... has substantially lost its identity as a mobile unit by virtue of its being permanently fixed in location upon land owned or leased by the owner of the manufactured home and placed on a permanent foundation (posts or blocks) with fixed pipe connections with sewer, water, or other utilities...." (RCW 84.04.090)

This applies to most manufactured homes, even those located in a manufactured home park on a leased site.

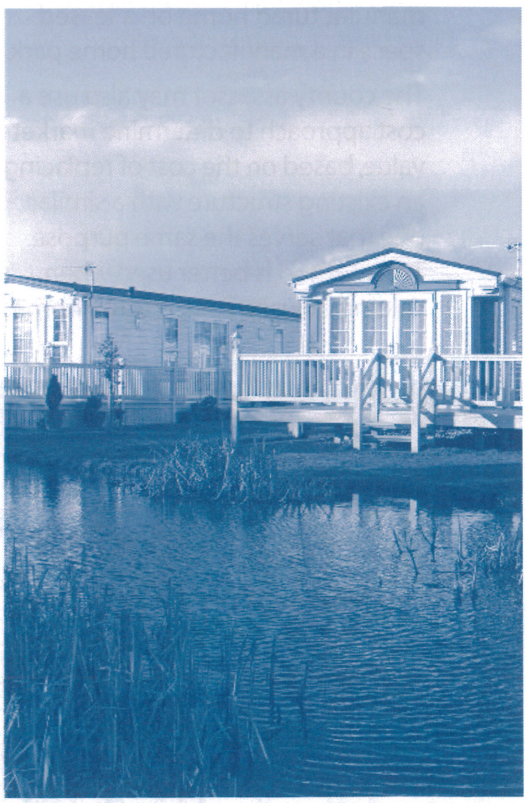
5. Why does the county assessor call my manufactured home personal property?

Some county assessors refer to manufactured homes as personal property for tracking purposes, especially in the case of manufactured homes located in manufactured home parks where the space is leased and the land is owned by someone else. Some counties also create a "mobile or manufactured home parcel."

Whether the county assessor calls a manufactured home "real property" or "personal property," the tax rate is the same.

6. I remodeled my manufactured home – it now looks just like a site-built home – why does the assessor still call it a manufactured home?

Property tax laws require the assessor to identify a manufactured home on the assessment records (see RCW 84.40.343). While an extensive remodel may give an appearance of a site-built home, the manufactured home identification merely identifies a fact of the original home. The assessment records should reference the newly remodeled attributes as well.



This fact sheet answers many of the questions frequently asked about assessment of mobile and manufactured homes. It serves as a brief guide, including references to many of the laws and rules used.

MANUFACTURED HOME VALUATION

1. How does the assessor value my manufactured home?

The basis for property valuation is found in RCW 84.40.030. It specifies "...all property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law."

Since most manufactured homes are real property, the valuation should be on the same revaluation cycle as other real property in the county. The county assessor determines the true and fair market value by comparing the property being appraised with sales of other similar properties using criteria from RCW 84.40.030 and WAC 458-07-030.

Manufactured homes are best valued when compared to other manufactured homes that have sold. However, a manufactured home where the owner also owns the land is less comparable to a manufactured home on a leased space in a manufactured home park.

The county assessor may also use a cost approach to determine market value, based on the cost of replacing an existing structure with a similar one that serves the same purpose. This method is better used when valuing newer manufactured homes.

2. I want to sell my manufactured home and upgrade to a newer one. Why does my assessed value seem higher than what I can sell my used manufactured home for?

The selling price for a pre-owned manufactured home to be moved will likely be lower than the assessed value, since the market value in-place includes all the costs associated with set up of the home. The selling price of a manufactured home on a sales lot differs from the assessed value of an in-place manufactured home because it does not have these costs and the purchaser has risk in moving and reassembling the manufactured home.

MOVING MANUFACTURED HOMES

1. What happens if I want to move (or sell) my manufactured home from its current location?

To ensure all property taxes are paid, the treasurer has authority to collect the tax for the current year and advance tax that will become due the following year (RCW 84.56.070 and 090).

The fact the manufactured home changed from real property to personal property, when moved, makes advance tax collectable on the manufactured home.

2. If I pay advance tax before moving the manufactured home, will I be required to pay taxes again if I move the manufactured home to another county?

No. As with any personal property on which advance taxes have been collected; taxes shall not be levied again for the same year.

3. If the manufactured home is sold and moved, what appeal rights does the purchaser have?

Since the purchaser of the manufactured home is the "taxpayer" of the advance tax, the purchaser has the right to petition the county Board of Equalization regarding the assessed value of the home under RCW 84.40.038 and WAC 458-14-056. Any manufactured home purchaser petition to the Board will be reviewed to determine whether the assessed value of the manufactured home as real property was the true and fair value of the manufactured home as of January 1 of the year of sale.

4. Will the assessor include the manufactured home as "new construction" when set up at the new location?

No. The law only authorizes placement of the manufactured home as new construction on the assessment roll when it has never been subject to property taxes in Washington or if no advance tax was paid when moved from its original county. (RCW 36.21.090)

5. If I move a manufactured home to a different location, is it considered destroyed property?

No. Merely moving a manufactured home to a different location does not qualify it as destroyed property under RCW 84.70.010. The destroyed property law only applies to property that has actually been destroyed.

PARK TRAILERS

1. Is a park trailer (or park model trailer) the same as a manufactured home?

No. While similarities exist between the two, a park trailer is defined as "…a travel trailer designed to be used with temporary connections to utilities necessary for operation of installed fixtures and appliances. The trailer's gross area shall not exceed four hundred square feet when in the setup mode. "Park trailer" excludes a manufactured home." (RCW 46.02.622)

2. Is a park trailer real property or personal property?

Like manufactured homes, most park trailers are generally classified as real property for property tax purposes with the exception of tax collection purposes when the home is moved. A park trailer is considered real property when it "…substantially lost its identity as a mobile unit by virtue of its being permanently sited in location and placed on a foundation of either posts or blocks with connections with sewer, water, or other utilities for the operation of installed fixtures and appliances." (RCW 84.36.595)

3. If I move my park trailer, will it be subject to advance tax like a manufactured home?

Yes. When the park trailer will be moved out of the county, the county treasurer has the authority to collect an advance tax under provisions similar to those that cover manufactured homes (RCW 84.56.070 and 090).

4. Do park trailers qualify for an exemption the same as travel trailers?

No. A specific definition applies to the exemption for "travel trailers" in RCW 84.36.595. Park trailers are defined differently and are not exempt.

5. If I license my park trailer with the Department of Licensing, will that make it exempt?

No. Again, RCW 84.36.595 does not provide an exemption for park trailers, licensed or not.

MISCELLANEOUS QUESTIONS

1. Are manufactured homes for sale on a dealer's lot exempt as business inventory?

Yes, so long as the manufactured homes are personal property held for sale. If the manufactured homes are on a permanent foundation with fixed pipe connections, they become real property and would not qualify for the exemption. (See RCW 84.36.477 and RCW 84.36.510.)

2. If a dealer has a manufactured home set up as a model home ready to move in, would it be exempt as inventory?

No. Again, a manufactured home on a permanent foundation with fixed pipe connections is real property. The exemptions provided by RCW 84.36.477 and 84.36.510 only apply to personal property inventory.

3. If I qualify for the "head of family" exemption, will my manufactured home be exempt if it is assessed for $15,000 or less?

No. The head of family exemption in RCW 84.36.110 excludes manufactured homes.

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