



## 2024 LEGISLATIVE SESSION FISCAL CUTOFF REPORT

MONDAY, MARCH 4, 2024

The **first day** of the **60-Day Session** was on **Monday, January 8, 2024**.

The **last cutoff before** the last day of session was on **Friday, March 1** which is the last day to consider (pass) opposite house bills (5 p.m.) (except initiatives and alternatives to initiatives, budgets and matters necessary to implement budgets, differences between the houses, and matters incident to the interim and closing of the session).

The **last day of the 2024 60-Day Session** is on **Thursday, March 7, 2024**.

### WLA Priority Real Estate Bills in the Legislature in 2024

- ~~1. **HB 2114/SB 5961** – Rent Control – **OPPOSE (R)**~~
- ~~2. **SB 6136** – B&O Tax or Rent Control on Commercial & Residential Rents – **OPPOSE (A)**~~
- ~~3. **HB 2453** – Housing Gap Voucher Program – **SUPPORT (R, M)**~~
- ~~4. **HB 2425** – Rental Support Program – **SUPPORT (R, M)**~~
- ~~5. **HB 2276/SB 6191** – Increasing REET Tax – **OPPOSE (A)**~~
- ~~6. **HB 1589/SB 5562** - Banning Natural Gas through PSE – **OPPOSE (A)**~~
- ~~7. **SB 5770** – Property Tax Increase to 3% based on CPI – **OPPOSE (A)**~~
- ~~8. **SB 5335** – Capital Gains on Real Estate – **OPPOSE (A)**~~
- ~~9. **HB 2464** – New MH Communities and New Units in Existing MHC – **SUPPORT (M)**~~
- ~~10. **SB 6064** – Limiting Rental Housing Pet Deposits & Pet Rent – **OPPOSE (R)**~~
- ~~11. **HB 2323/SB 6212** – RLTA Mandatory Credit Reporting – **OPPOSE (A)**~~
- ~~12. **SB 6211** – Clarity & Consistence in MHC Rental Agreements – **SUPPORT (M)**~~
- ~~13. **HB 2270** – Creates State Department of Housing – **OPPOSE (A)**~~
- ~~14. **HB 2139/SB 6203** – Self Storage Not Under RLTA – **SUPPORT (C)**~~
- ~~15. **HB 2418/SB 6250** – Working Families Rental Housing Tax Credit – **SUPPORT (R)**~~
- ~~16. **HB 2419** – Homeowner Relief Property Tax Exemption – **SUPPORT (R)**~~
- ~~17. **HB 2308/SB 6175** – Housing Affordability Tax Incentives for Existing Rentals – **SUPPORT (R)**~~
- ~~18. **SB 6210** – Increasing Commissioners & Requiring Financial Proof for OCLA – **SUPPORT (R, M)**~~
- ~~19. **HB 2016** – Allowing Minors to Contract for Housing and Utilities – **CONCERNS (R)**~~
- ~~20. **SB 6152** – Measuring the Housing Gap – **CONCERNS (R)**~~
- ~~21. **HB 2353** – Allows Residential Targeted Areas (RTA) for MFTE – **SUPPORT (R)**~~

## WLA Priority Retail & Public Safety Bills

1. ~~HB 2390/SB 6200~~ — Police Vehicular Pursuit — **SUPPORT**
2. ~~I-2113~~ — Police Vehicle Pursuit — **SUPPORT**
3. ~~SB 5056~~ — Habitual Property Offender — **SUPPORT**
4. ~~HB 1800~~ — Criminal Penalties and Restitution for Graffiti — **SUPPORT**
5. ~~HB 2231/SB 6242~~ — Attracting & Retaining Law Enforcement Officers — **SUPPORT**

## WLA 2023 Priority Bills (Alive but NO action yet in 2024)

1. ~~HB 1628~~ — Highest State REET Tax — **OPPOSE (A)**
2. ~~HB 1388~~ — Rent Control — **OPPOSE (R)**
3. ~~HB 1389/SB 5435~~ — Rent Control — **OPPOSE (R)**
4. ~~HB 1625/SB 5615~~ — Local Rent Control — **OPPOSE (R)**
5. ~~SB 5697~~ — Manufactured Housing Rent Control — **OPPOSE (R)**
6. ~~HB 1817/SB 5741~~ — Housing Gap Voucher Pilot Program — **SUPPORT (R)**
7. ~~HB 1124~~ — Rent Control Lite, 1-Way Lease, & Fees — **OPPOSE (R)**
8. ~~HB 1404/SB 5117~~ — Reforms to Building Code Council — **SUPPORT**
9. ~~SB 5037~~ — Natural Gas/Energy Code — **SUPPORT**

Additional information about these bills, their sponsors, their current status, and more below.

(C) = Commercial; (R) = Residential; (M) = Manufactured Housing; (A) = All; (NTIB) = Necessary to Implement the Budget

## OPPOSED

### 1. HB 2114/SB 5961 – Rent Control

- Rent increases are limited to a maximum of 5% in a 12-month period.
- No rent increases shall be served in the first 12 months of tenancy.
- Rent increase over 3% would require 180 days' notice.
- Limits total move in fees to one month's rent and caps late fees at \$10.
- Tenant can break lease any time with 20 days written notice if rent increase is over 3%.
- Ban on offering a discount for fixed term leases v. month-to-month.
- Mandatory damages of three months' rent and attorney fees/costs and can use as defense to eviction.
- Exempts not for profit housing and new construction for the first ten years.
- No mechanism to increase by more than 5% in event of factors outside housing providers control - unconstitutional under current SCOTUS case law.
- Bill has an emergency clause that permits immediate implementation of the bill requirements.

#### House Substitute Bill:

- Removes a provision allowing tenants to break their leases any time after receiving a 180-day notice that their landlord intends to raise their rental rate by 3% or more within a 12-month period.

- Adds a provision that tenants may break their leases, with notice, any time after a landlord raises their rental rate beyond what is allowed under the bill without falling under any of its exemptions.
- Raises the percentage cap on how much landlords are allowed to raise rents in any given 12-month period from 5 to 7 percent.
- Changes the cap on late fees from \$10 dollars a month to 1.5 percent of the tenant's total monthly rent.
- Adds exemptions from the rental rate increase limit for several living situations where the owner is also a resident of the property in question.

**Senate Substitute Bill:**

- ~~Rent cap for Residential Landlord Tenant Act & Manufactured/Mobile Home Landlord Tenant Act increases from 5% to 15%, with authorization for local governments to require a percent lower than 15%.~~
- ~~Exemption for new construction increases from 10 years to 15 years.~~
- ~~Sunsets the Act in 2044.~~
- ~~Requires the Joint Legislative Audit Review Committee to conduct a performance audit review of: eviction rates, number of dwelling units taken off the market and for what purpose, rate of investment and new construction, and update on Attorney General's Office oversight and report to the Legislature January 1, 2042.~~
- ~~Clarifies disputes related to rent stabilization for manufactured homeowners are subject to the consumer protection act process outlined in the bill and not the manufactured/mobile home dispute resolution program.~~
- ~~Clarifies language around the public housing authority exemption.~~

**House Floor Amendments:**

- Limits rent and fee increases to 7 percent during any 12-month period and prohibits rent and fee increases during the first 12 months of a tenancy for tenants subject to the Residential Landlord-Tenant Act and the Manufactured/Mobile Home Landlord-Tenant Act, regardless of the length of their lease, with certain exemptions.
- Provides certain other protections for tenants, such as rent and fee increase notice requirements; tenant lease termination provisions; limits on move-in fees, security deposits, and late fees; and requirements for parity between month-to-month and longer-term rental agreements.
- Provides remedies and enforcement mechanisms, including Attorney General enforcement of certain provisions in the bill under the Consumer Protection Act and a private cause of action for damages against landlords who violate certain provisions of the bill.
- Requires the Department of Commerce to create an online landlord resource center and to contract with an independent third party to carry out a social vulnerability assessment of the impacts of rent stabilization.
- Requires the Attorney General to publish model lease provisions regarding rent and fee increases.

**Sponsors:** *Representatives: Alvarado, Macri, Ramel, Peterson, Mena, Slatter, Farivar, Taylor, Doglio, Cortes, Fitzgibbon; Senators: Trudeau, Nobles*  
**STATUS HB:** **DEAD** – Senate Ways & Means Committee – Hearing 2/22/2024  
**STATUS SB:** **DEAD** – Senate Housing Committee

## 2. SB 6136 – B&O Tax or Rent Control on Commercial & Residential Rents

- **Unconstitutionally requires** all property owners to **decide between paying B&O tax or agreeing to rent control.**
- Adds business and occupation tax (**B&O**) to rent for all residential and commercial property. The tax on residential rental property begins January 1, 2025. The tax on commercial rental property begins January 1, 2027.
- Directs Commerce to develop and administer residential rent control program that **requires 5% rent control.**
- Directs Commerce, AG, DOR, and others to develop recommendations for a rent stabilization program for commercial rental property.
- Creates a B&O tax deduction for landlords participating in the rent control programs.

### Talking Points:

- Tax on rents is Unconstitutional according to a WA Supreme Court ruling (Schumacher 1960).
- Taxing rents would ultimately increase rents and housing costs for residential and commercial tenants.
- At a time when commercial real estate is already down because of employees working from home and high interest rates, this would cause damage to the industry.

### Substitute Bill:

- Removed the Rent Control provision.
- Makes the privilege of providing all commercial & residential property for rent subject to the business and occupation tax.

**Sponsors:** *Senators: Kuderer, Frame, Hasegawa, Lovelett, Nobles, Saldaña, Wellman*  
**STATUS SB:** Senate Ways & Means Committee (**NTIB**)

## 3. HB 2276/SB 6191 – Increasing Taxes on Real Estate Sales (REET/RETT)

- Increases the tax on the sale of property over \$3M by adding a 1% Real Estate Transfer Tax (RETT) to the existing 3% Real Estate Excise Tax (REET).
- Beginning January 1, 2025, the rate of the tax imposed is as this follows:
  - 1.1% of the portion of the selling price that is less than or equal to \$750,000;
  - 1.28% of the portion of the selling price that is greater than \$750,000 and equal to or less than \$1,525,000;
  - 2.75% of the portion of the selling price that is greater than \$1,525,000 and equal to or less than \$3,025,000; and
  - 3.0% of the portion of the selling price over \$3,025,000, **PLUS 1.0% RETT tax**

- Only 7% of REET and RETT revenues shall go as follows:
  - 25% to the Washington State Housing Trust Fund
  - 25% to the Apple Health and Homes Account
  - 15% to a new Developmental Disabilities Trust Account
  - 25% to the Affordable Housing for All account
  - 10% to the new Housing Stability Account.

**Talking Points:**

- WA State already has the highest REET tax in the nation, adding RETT to REET would make WA State 33% higher tax than any other state on the sale of property.
- Increasing taxes on the sale of property will increase rents and housing costs for residential and commercial tenants.
- At a time when commercial real estate is already hurting because interest rates have increased dramatically and many companies are working from home, this would cause damage to the industry.

**PSHB 2276 (H-2680.2./24) in House Finance Committee makes the following changes:**

- Changes the effective date for the change to Tier 1 of REET to January 1, 2026.
- Changes the effective date for the imposition of the new RETT to January 1, 2026.
- Corrects the distribution of moneys.
  - The bill now directs 93.2 percent of the combined REET and RETT revenues to the accounts currently receiving REET funds:
    - Public Works Assistance Account (5.2 percent)
    - City-County Assistance Account (1.4 percent) ♣
    - State General Fund (79.4 percent)
    - Education Legacy Trust Account (remainder)
  - 6.8 percent of the combined REET & RETT revenues to be distributed to housing accounts as follows:
    - Washington Housing Trust Fund (25 percent)
    - Apple Health & Homes Account (25 percent) ♣ Affordable Housing for All (25 percent)
    - Developmental Disabilities Housing and Services Account (15 percent)
    - Housing Stability Account (10 percent)
- Directs the Department of Revenue to study the requirements need for the DOR to implement and administer a local option graduated REET. The report is due to the Legislature by January 13, 2025.

**Sponsors:** *Representatives: Berg, Macri, Chopp, Street, Slatter, Reed, Ramel, Farivar, Alvarado, Kloba, Mena, Ormsby, Riccelli, Senn, Davis, Tharinger, Cortes, Stonier, Ortiz-Self, Fitzgibbon, Thai, Peterson, Fosse, Gregerson, Simmons, Taylor, Doglio, Pollet, Bateman, Lekanoff, Goodman, Berry, Santos, Wylie, Bergquist, Fey, Duerr, Ryu, Morgan, Nance*  
*Senators: Frame, Nguyen, Saldaña, Dhingra, Keiser, Wellman, Hunt, Hasegawa, Trudeau, Lovelett, Wilson, C., Stanford, Kuderer, Conway, Cleveland, Pedersen, Valdez, Nobles*

**STATUS HB:** House Rules Committee (NTIB)

**STATUS SB:** Senate Ways & Means Committee (NTIB)

#### 4. HB 1589/SB 5562 - Banning Natural Gas through PSE

##### Original Bill Overview:

- Legislation applies only to Puget Sound Energy who provides power to over 1 million customers primarily in western Washington. About 800,000 being residential gas customers.
- Under a series of bills passed over the last six years, utilities are facing significant carbon reduction requirements to be met by 2030. Greenhouse gas emissions must be 45 percent lower than levels in 1990.
- PSE requested the legislation to achieve the goal by having gas and electricity combined into a single business through an “Integrated System Plan.
- The Utilities and Transportation Commission would review the plan which would allow PSE to eventually stop natural gas delivery to current customers.
- The statutory requirement that PSE provide gas service to any customer in its territory requesting it is removed. PSE could meet the “obligation to serve” by providing electricity.
- PSE is allowed to submit a merger of gas and electric rate bases and so that gas customers pay for required infrastructural upgrades to serve increased demand.
- Decarbonization planning process begins in 2027, with possible service area gas shutoffs permitted after UTC approval.

##### Senate EE&T Committee Striker

- Removes the prohibition of providing gas service for commercial or residential purposes that did not receive or file an application for gas service as of June 30, 2023.
- Amends the statutory obligation to serve for a large combination utility to provide a customer with any approved nonemitting energy, which includes renewable natural gas, green hydrogen, thermal energy networks, or other sources as described in an approved filing.
- Changes the process for the utilities and transportation commission (UTC) to consolidate a large combination utility's planning requirements for both gas and electric operations into a single integrated system plan (ISP), by July 1, 2025. Permits the UTC to extend the proceeding 90 days for good cause shown.
  - Requires a large combination utility to file an ISP by January 1, 2027, and be updated on a regular basis, but authorizes the UTC to set a timeline for future ISPs.
  - Outlines requirements of an ISP to satisfy, including, among others: components of integrated resource plans and clean energy action plans; low-income electrification programs, an action plan for specific actions needed to implement an ISP; and a report on the progress.
- Utility companies must consider the social cost of greenhouse gas emissions in an ISP and clean energy action plans.

- Large combination utility must apply a risk reduction premium in evaluating the lowest reasonable cost of decarbonization in an ISP. It must account Dept. of Ecology's applicable allowance ceiling price under the climate commitment act so long-term investments would mitigate against allowance and fuel price risks to customers and the utility.
- Removes the requirement that a majority of total capacity and energy needed to meet the requirements of the clean energy transformation act (CETA) must be supplied from resources owned and operated by the combination utility from the cost-effective cost recovery mechanism.
- A utility cannot offer rebates or incentives to residential gas customers to purchase any natural gas appliance or equipment beginning January 1, 2025. Does not apply to electric heat pumps with natural gas backups or commercial or industrial customers until January 1, 2031.
- By November 1, 2025, a large combination utility must educate its ratepayers about the benefits of electrification and availability of rebates or incentives to purchase energy efficient electric appliances and equipment.
- Utilities must work in good faith with specified stakeholders to develop market structures and mechanisms that account for the greenhouse gas attributes of wholesale electricity generation when it is sold into organized markets.
- Utility can get a certificate of necessity along with an ISP to build a new renewable or nonemitting electric generation or transmission facility, make a significant investment in an existing facility, or enter into a power purchase agreement for renewable or nonemitting electric energy or capacity.
  - Certificates can be submitted outside the ISP process for a time-sensitive project.
  - If there is a material change in the underlying assumptions of an approved certificate, a utility must request a proceeding to review. Permits the UTC or potential intervenor on its own motion may initiate such a request to determine viability to complete an unfinished project.
  - Having a certificate does not change existing authority of the UTC to determine the fair value of property for rate-making purposes.
- Removes requirements for incremental depreciation for each year of a multiyear rate plan equal to one percent of the gas revenue requirement for the preceding year. Rather, the UTC is directed to approve a depreciation schedule with affordability adjustments, that depreciates all gas plants in service as of July 1, 2024, by no later than January 1, 2050.
- If an ISP proposes geographically targeted electrification in all or a portion of a utility's service area, and one or more consumer-owned utilities (COUs) provide electric service to the same service area, the ISP must include a process for outreach to all of these COUs.
- UTC can assess a fee on combination utilities of 0.5 percent of intrastate gross operating revenues.

- Clarifies that current law may not be construed as limiting the UTC or any party from bringing any action against a large combination utility related to a submitted ISP.

**Adopted Floor Amendments**

**AMD 756 Pg 16 Ln 20 (Nguyen) -**

- The UTC may approve, reject, or conditionally approve an application for a certificate of necessity if the construction, investment, or purchase is in the public interest and complies with the UTC's administrative rules governing electric resource procurement.
- Project owner, not the utility, and the prime contractor and subcontractors have the “absolute right” to select bids for the award of contracts on a specified project under an integrated system plan that is part of a competitive solicitation and costs more than \$10,000,000. (Think of a project-labor agreement. Protects unions.)

**AMD 797 Pg 19 Ln 9 (Nguyen) -**

- Removes the requirement that the UTC must avoid commercial and residential rate classes subsidizing industrial rate classes when approving a merger of a gas and electric rate base.
- Removes authorization of PSE to provide a customer with any approved nonemitting energy under the utility's obligation to serve statute.

**Sponsors:** *Representatives: Doglio, Fitzgibbon, Berry, Alvarado, Bateman, Ramel, Peterson, Lekanoff, Hackney, Macri, Kloba; Senators: Nguyen, Lovelett, Hunt, Keiser, Lias, Saldaña, Wellman, Wilson, C.*

**STATUS HB:** [Passed Senate || 27 yeas; 22 nays; 0 absent; 0 excused](#)  
[On way to House for Senate Amendment Concurrence](#)

**STATUS SB:** **DEAD** – Senate Ways & Means Committee

**5. SB 5770 – Property Tax**

- Increases the property tax revenue limit for local property taxes. Currently property tax increases are limited to 1% increases (limiting factor) annually.
- This bill would increase the property tax limit from 1% to 1% plus population change and CPI, up to 3% annually.
- CPI is based on the CPI(U) for the Western region as of July 25th each year, provided by DOR to the County Assessor for use.
- Applies to 2024 tax collection and thereafter

**Talking Points:**

- This will increase the cost of providing housing.
- Property tax increases often drive necessary increases in residential and commercial lease rates for tenants.
- The general public does not support increases in property taxes.

**Dead for 2024 Session:**

- It appears Democrats, who hold a 29-20 majority in the state Senate, don't have the votes to approve the legislation. Two previous co-sponsors of the legislation, Sen. T'wina Nobles, D-Fircrest, and Sen. Emily Randall, D-Bremerton, removed their



names from the list of co-sponsors this week. Randall had also voted for the legislation in committee.

**Sponsors:** *Senators Pedersen, Van De Wege, Robinson, Dhingra, Nguyen, Wellman, Keiser, Valdez, Saldaña, Hunt, Salomon, Randall, Cleveland, Wilson, C., Stanford, Lovick, Nobles, Hasegawa, Trudeau, Liias*

**STATUS SB:** **DEAD** – Senate Floor Rules “X” File

#### 6. SB 5335 – Capital Gains on Real Estate

- This bill would include Real Estate in WA State Capital Gains
- Increases the overall capital gains tax rate from 7% to 8.5% for Real Estate
- Creates a universal healthcare model in WA state with the monies from the Capital Gains tax.

**Sponsors:** *Senators Hasegawa, Hunt, Liias, Nguyen, Stanford*

**STATUS SB:** Senate Health & Long-Term Care Committee **(NTIB)**

#### 7. SB 6064 – Limiting Rental Housing Pet Deposits & Pet Rent

- Any moneys paid to the landlord by the tenant as a condition of accepting a tenant's pet shall be considered a deposit or security and shall be collected, maintained, and refunded in accordance with Security Deposit requirements.
- Puts a \$150 limit on Pet Deposit Fees
- No allowance for additional Pet Fees of any kind **OR** additional rent for a tenant having a pet.
- No deposit shall be withheld on account of wear resulting from ordinary use of the premises.

**Sponsors:** *Senators Hansen, Kuderer, Liias*

**STATUS SB:** **DEAD** – Senate Housing Committee – Executive Session NO ACTION

#### 8. HB 2323/SB 6212 – RLTA Mandatory Credit Reporting

- Requires landlords under the RLTA & MHLTA to report on-time rental payments to a national consumer reporting agency on request of a tenant.
- Landlords are NOT required to report late or missed payments.
- No federal law currently requires landlords to report rental payments of any sort to any national CRA's.
- Landlords must keep records sufficient to demonstrate that they have reported tenant's rental payment information as requested, and they must provide documentation of this reporting upon request by a tenant.
- A landlord's duty to report rental payment information terminates automatically at the end of a lease, or when a lease reverts by default to a tenancy month-to-month without prior agreement of the parties.

**Sponsors:** *Representatives Peterson, Reed, Ramel, Morgan, Bateman, Davis, Simmons, Pollet, Macri; Senators Shewmake, Nguyen, Cleveland, Van De Wege, Kuderer, Nobles, Saldaña, Stanford, Trudeau, Valdez*

**STATUS HB:**        **DEAD** – House Rules Committee  
**STATUS SB:**        **DEAD** – Senate Rules Committee

**9. HB 2270 – Creates WA State Department of Housing**

- Directs the Office of Financial Management (OFM) to contract externally for a study to help facilitate the transition of state housing programs to a new state agency and identify gaps in current state housing programs.
- The study must include a review and recommendations on the following issues:
  - A clear mission and vision for the new department;
  - The organizational structure for the new department, including which agencies,
  - Administrations, commissions, or other functions of state government should be included, and identification of the reasons why a specific housing function or program is not recommended for inclusion, if any;
  - Any gaps in existing rental, transitional housing, senior housing, homelessness, homeownership, and manufactured housing programs provided by the state;
  - Estimated costs for the reorganization, including information technology and capital, and potential funding sources;
  - A clear process for managing the reorganization; and measurable benchmarks by which the effectiveness would be assessed.
- Requires that the external consultant engage with and get recommendations from a long list of stakeholders including the for-profit rental housing owners and for-profit housing development industry.

**House Appropriations Amendment:**

- A null and void clause is added, making the bill null and void unless funded in the budget.

**Senate Housing Amendment:**

- Adds an organization that advocates for effective land use and housing planning, representatives of interlocal housing collaborations as established under chapter 39.34 RCW, a real estate broker licensed in the state of Washington, and the office of the Lieutenant Governor to the list of entities the external consultant must engage with and seek recommendations from as part of the study.

**Sponsors:** *Representatives Morgan, Macri, Peterson, Gregerson, Ryu, Reeves, Callan, Bateman, Ormsby, Street, Cortes, Ramel, Kloba, Wylie, Fey, Leavitt, Donaghy, Thai, Goodman, Mena, Taylor, Duerr, Riccelli, Berry, Reed, Santos, Entenman, Ortiz-Self, Simmons, Bergquist, Stonier, Fosse, Timmons, Chapman, Stearns, Nance, Chopp, Shavers, Slatter, Doglio, Pollet, Tharinger, Walen, Bronoske, Orwall, Fitzgibbon, Davis, Alvarado, Paul*

**STATUS HB:**        **DEAD** – Senate Ways & Means Committee – Hearing 2/22/2024

## CONCERNS

### 1. SB 6152 – Measuring the Housing Gap

#### Proposed Substitute

- Requires the Washington Center for Real Estate Research to include, as part of its October 2026 report and every biannual report thereafter:
  - An analysis of each county's progress in closing the gap between estimated existing housing units and existing housing needs including 0-30%, 30-50%, 50-80%, 80-100%, 100-120%, and >120% of AMI.
  - Each county's progress in closing the gap between existing housing units and existing housing needs within the county.
  - Each county's progress in meeting emergency housing, emergency shelters, and permanent supportive housing needs within the county.
- Authorizes the Public Works Board to consider whether a project encourages infill development or any other increase in affordable housing units when prioritizing applications for grants and loans to cities and counties.

**Sponsors:** *Senators Cleveland, Shewmake, Rivers, Frame, Salomon, Trudeau, Nguyen, Keiser, Liias, Pedersen, Kuderer, Nobles, Saldaña and Valdez*

**STATUS SB:**       **DEAD** – Senate Ways and Means Committee

### 2. HB 2016 – Allowing Minors to Contract for Housing and Utilities

- Permits a minor who is at least 16 years old and living apart from a parent, guardian, or legal custodian to enter into a binding nonvoidable contract for a residential dwelling unit and utility services to the unit without the consent of the minor's parent, guardian, or legal custodian.
- A parent, guardian, or legal custodian is not liable for a residential unit and utilities contract executed by a minor unless the parent, guardian, or legal custodian is a party to the contract or enters the contract as a guarantor for the minor's debt.

**Sponsors:** *Representatives McClintock, Couture, Ryu, Waters, Senn, Callan, Doglio, Reeves*

**STATUS HB:**       **DEAD** - House Civil Rights & Judiciary Committee

## SUPPORT

### 1. HB 2453 – Housing Gap Voucher Program

- Immediate Rental Support for families and those in need, up to \$400 per month for up to 24 months.
- Creates the Housing Gap Voucher Program administered through the county housing authorities.
- Qualifications for Housing Gap Vouchers:
  - Household income at or below 80% AMI;
  - Household spends more than 30% of monthly household income on housing costs; and

- If their rent were reduced by \$400 or less, the renter would be under the 30% of monthly household income on housing costs.
- Priority will be given to those households under 60% AMI or who receive supplemental security income.
- Beginning in 2025, Commerce shall submit a report annually to the legislature detailing the financials of the program and any suggested improvements.

**Sponsors:** *Representatives Hutchins, Barkis, Robertson, Chapman, Klicker, Leavitt, Christian, Connors, Waters*

**STATUS HB:**       **DEAD** – House Housing Committee

**2. HB 2425 – Rental Support Program**

- Immediate Rental Support for families in need.
- Recipients must be low-income, with **priority** to seniors on fixed income, disabled persons, historically marginalized communities, single parents, and veterans.
- To be funded by redirecting 0.5% of current sales tax on new residential construction, funds generated go to the local jurisdictions who built the new residential construction (current tax, no new tax)
- May be kickstarted by a loan from the municipality or legislature through appropriations.
- Allow low-income families to rent available units when units at or below 30% of their income are not available.

**Sponsors:** *Representatives Rule, Reeves, Rule, Reeves, Hackney, Ryu, Chapman, Wilcox, Walen, Leavitt*

**STATUS HB:**       **DEAD** – House Housing Committee

**3. HB 2464 – Encouraging New MH Communities and New Units in Existing MHC**

- Allows new manufactured housing communities to be built outside the urban growth boundaries to encourage new communities to be built.
- Requires cities and counties to act in good faith to approve additional manufactured housing.
- Requires cities and counties to allow new manufactured housing units to be added to existing parks unless the siting of the manufactured/mobile home or park model expressly violates health and safety standards.

**Sponsors:** *Representatives Connors, Peterson*

**STATUS HB:**       **DEAD** – House Rules Committee

**4. SB 6211 – Creating Clarity and Consistency in Rental Agreements**

- Currently rent increases for MHC's may only be given on the anniversary date with 90 days' notice.

- This bill would mandate that rent cannot be increased more than once in any 12-month period by providing 90 days' notice, but this would no longer be tied to the anniversary date.
- Would allow MHC's to get all residents onto the same renewal date if desired.
- Promotes fairness as timing for rent increases could be the same for all residents if desired.

**Sponsors:** *Senators McCune*

**STATUS SB:** **DEAD** – Senate Rules Committee

**5. HB 2139/SB 6203 – Self Storage Not Under RLTA**

- A self-service storage facility is any real property designed and used for the purpose of renting or leasing individual storage space to occupants who are to have access to the space for storing and removing personal property on a self-service basis.
- Prohibits the use of self-storage facilities for residential purposes by occupants.
- Exempts self-service storage facilities from the requirements and eviction process in the Residential Landlord Tenant Act (RLTA).

**Sponsors:** *Representatives Ramos, Callan, Reeves; Senators Mullet, Dozier, Kuderer*

**STATUS HB:** **DEAD** – House Consumer Protection & Business Committee

**STATUS SB:** **DEAD** – Senate Housing Committee

**6. HB 2418/SB 6250 – Working Families Rental Housing Tax Credit**

- Provides an additional working families' tax credit refund amount of \$300, adjusted annually for inflation.
- Provided to an eligible person who leased or rented their primary residence in Washington for at least 183 days.
- The 183-day period may be met by aggregating the leasehold or rental periods for multiple lease or rental agreements if the individual changed location during the calendar year.
- An individual must be a signatory on any lease or rental agreements used to meet the 183-day requirement.
- Applicants must submit a copy of the lease or rental agreement and any other documents specified by the department to substantiate the eligibility.

**Sponsors:** *Representatives Berg, Ramel, Shavers, Pollet; Senators Robinson, Billig, Conway, Frame, Keiser, Kuderer, Lovelett, Lovick, Nguyen, Nobles, Pedersen, Saldaña, Salomon, Shewmake, Stanford, Valdez, Wellman, Wilson, C.*

**STATUS HB:** House Finance Committee **(NTIB)**

**STATUS SB:** Senate Ways & Means Committee **(NTIB)**

**7. HB 2419 – Homeowner Relief Property Tax Exemption**

- Creates the homeowner relief property tax exemption.

- The exemption (from the state levy) is equal to the greater of \$100,000 assessed valuation or 60% of the county median residential assessed value for the most recent year.
- Each county assessor must also make applications available at the assessor's office, on the assessor's official website, and by mail or email upon request.
- Tax exemption is only available on 1 qualified residence per applicant.
- The homeowner relief property tax exemption continues until the property is sold, transferred, or the claimant no longer qualifies due to change of use as a principal place of residence.
- If a homeowner sells or otherwise transfers the property, the new property owner must apply for the exemption, as required under this section.
- The homeowner relief property tax exemption administration account is created in the state treasury and will attempt to backfill the amounts lost by counties.

**Sponsors:** *Representatives Berg, Ramel, Shavers, Pollet*

**STATUS HB:** House Finance Committee (NTIB)

#### 8. HB 2308/SB 6175 – Housing Affordability Tax Incentives for Existing Rentals

- Authorizes city governing authorities to establish a property tax exemption program for properties which are converted into buildings that contain affordable housing units for low-income households.
- To qualify for a property tax exemption for **multiunit residential building conversion** into affordable housing under this chapter, housing units must:
  - Be a multiunit residential building;
  - Have a certificate of occupancy issued not more than 25 years prior to the effective date of this section; and
  - Be in possession of the owner or be acquired by using a loan from a lender overseen by the United States federal housing finance agency.
  - The lender or servicing agency must have oversight over the conversion, including quarterly reports verifying affordable housing units are being rented or sold to low-income households.
- To qualify for a property tax exemption for **conversion of a commercial building** to affordable housing under this chapter, housing units must:
  - Be a building whose immediate prior use was predominantly or exclusively for commercial use; and
  - Have a complete project permit application submitted to the city or county prior to January 1, 2029.
- For residential conversions, the value of real property qualifying under this chapter is exempt from ad valorem property taxation for 20 successive years.
  - For the first 10 years, the exemption amount is equal to 100% of the value of the residential building.
  - For the second 10 years, the exemption amount is equal to 50% of the value of the residential building.

- For commercial conversions, the value of real property qualifying under this chapter is exempt from ad valorem property taxation for 30 successive years.
- The exemption in this chapter excludes land and non-housing related improvements.

**Proposed Substitute House Bill (H-3132.1) compared to the Original Bill:**

- Removes the property tax exemption program;
- Creates a sales and use tax deferral program for the following:
  - The sale or charge made for tangible personal property incorporated as a component in the building that is converted from a commercial building into affordable housing; and
  - Labor and services rendered for the entire building during the conversion of a commercial building into affordable housing;
- The program requires the property owner to commit to 20% of affordable housing units for at least 10 years;
- Adds administrative language and various procedural requirements for cities and the Department of Revenue; and
- Makes various technical changes.

**Proposed Substitute Senate Bill Effect:**

- Removes the authority of a city to establish a property tax exemption program for commercial buildings converting to affordable housing units for low-income households, the state retail sales and tax exemption for materials and labor used in the conversion of a commercial building to affordable housing, and other related provisions; adds a new retail sales and use tax deferral program for the construction of underutilized commercial property;
- Allows any city or town to offer the retail sales and use tax deferral program;
- Specifies that the tax deferral applies only to the conversion of underutilized commercial property to affordable multifamily housing;
- Provides that the exemption is a 10-year deferral of state and local retail sales and use taxes;
- Provides that if an applicant maintains the property as affordable housing for the 10-year period then the deferred taxes need not be repaid;
- Requires applicants to rent or sell at least 20 percent of the housing units as affordable housing to very low, low, and moderate-income households;
- Requires at least 50 percent of the multifamily housing units be rented at or below fair market rent for the county or sold at a price at or below county median price;
- Allows local governments to require applicants meet additional affordability or income eligibility conditions; provides that no deferrals may be approved on or after June 30, 2034;
- Includes a tax preference performance statement requiring the Joint Legislative Audit and Review Committee to conduct a review by December 31, 2032;
- Specifies that a recipient of the retail sales and use tax deferral may also qualify for the multifamily property tax exemption; and amends the title and intent section.

**Sponsors:** *Representatives Walen, Hutchins, Robertson, Santos, Barkis, Shavers; Senators Trudeau, Billig, Frame, Kuderer, Mullet, Nguyen, Nobles, Randall, Saldaña, Valdez, Wilson, C.*  
**STATUS HB:** **DEAD** – House Finance Committee

**9. SB 6210 – Increasing Commissioners & Requiring Financial Proof for OCLA**

- In each county, the superior court may appoint one or more attorneys to act as commissioners pursuant to this chapter to exercise all powers and perform all duties of a court commissioner.
- The county legislative authority must approve the creation of court commissioner positions pursuant to this chapter.
- At the time of the hearing on the Writ, Defendant is **required to answer in writing** to assert any legal or equitable defenses or set-off arising from the tenancy.
- Requires that OCLA **shall require documented verification of income or** participation in a qualifying public assistance program as outlined in this section.

**Sponsors:** *Senators Mullet*

**STATUS SB:** **DEAD** – Senate Housing Committee – Executive Session: No Action

**10. HB 2353 – Allows Residential Targeted Areas (RTA) for MFTE**

- Modifies the criteria for a county to designate a residential targeted area for the purposes of offering the multifamily property tax exemption.
- All counties with an unincorporated population of at least 170,000 may designate an RTA for the purposes of offering the MFTE.
- Removes criteria that used to limit an RTA to a rural county served by a sewer system, to a county with a campus of an institution of higher education where at least 1,200 students live on campus during the academic year, and to an area within 0.25 miles of a frequent bus service.

**Sponsors:** *Representatives Nance, Duerr, Simmons, Lekanoff, Shavers, McEntire, Hutchins, Griffey, Barkis, Couture, Morgan, Leavitt, Cheney, Reed*

**STATUS HB:** **DEAD** – House Housing Committee

## **Retail & Public Safety Bills**

**1. HB 2390/SB 6200 – Police Vehicular Pursuit**

- Establishes procedures for the seizure, impoundment, redemption, and forfeiture of vehicles used in the crime of Attempting to Elude a Police Vehicle.
- Requires one year of community custody, supervised by the Department of Corrections, for a person convicted of Attempting to Elude a Police Vehicle as an adult.
- Requires 18 months of parole for a juvenile convicted of Attempting to Elude a Police Vehicle.
- Gives the court discretion on whether to require an adult or juvenile charged with Attempting to Elude or Resisting Arrest who is being released from custody to be



placed on electronic monitoring, instead of requiring electronic monitoring as a condition of release

**Sponsors:** *Representatives Shavers, Rule; Senators Lovick, Dhingra, Billig, Braun, Conway, Fortunato, Hasegawa, Keiser, Kuderer, Mullet, Torres, Wilson, C., Wilson, L.*

**STATUS HB:** **DEAD** - House Appropriations Committee

**STATUS SB:** **DEAD** – Senate Law & Justice Committee

## 2. I-2113 – Reasonable Police Pursuit

- Restore safe police pursuits for reasonable suspicion that a suspect has violated the law or poses a threat to the safety of others.
- Restores vehicular pursuit options for law enforcement that was taken away through legislation passed in 2021.
- The Initiative would allow pursuit when there is a reasonable suspicion that a person has violated the law or the person poses a threat to the safety of others and the safety risks of failing to apprehend the person are greater than the safety risks of the pursuit.

**Sponsors:** *Sufficient signatures gathered to send Initiative to the Legislature*

**STATUS SB:** Likely headed to November Ballot

[Passed the Legislature](#)

## 3. SB 5056 – Habitual Property Offender

- Creates a special allegation for a habitual property offender.
- Requires a person found beyond a reasonable doubt to be a habitual property offender to be sentenced to an additional 24 months in total confinement for a Class B felony, and an additional 12 months for a Class C felony.
- All habitual property offender enhancements are mandatory and must be served in jail.

**Sponsors:** *Senators Padden, Fortunato, Gildon, Wilson, L.*

**STATUS SB:** **DEAD** – House Community Safety, Justice & Reentry Committee

**Executive Session** - Tuesday, February 20 – No Action Taken

## 4. HB 1800 – Criminal Penalties and Restitution for Graffiti

- Provides that a court may order a person convicted of Malicious Mischief in the third degree or Criminal Street Gang Tagging and Graffiti to complete community restitution in addition to other penalties or instead of incarceration.
- Grants the court discretion to order a person convicted of Malicious Mischief in the third degree or Criminal Street Gang Tagging and Graffiti to pay restitution or to clean up the damage, with prior permission of the legal owner or the agency managing the property..

**Substitute Bill:**

- Provides that a court may order a person convicted of Malicious Mischief in the third degree or Criminal Street Gang Tagging and Graffiti to complete at least 24 hours of community restitution, pay restitution, or clean up the damage with prior permission of the legal owner or the agency managing the property.

**Sponsors:** *Representatives Barkis, Donaghy, Eslick, Fey, Barnard, Robertson, Stokesbary, Chambers, Abbarno, Christian, McClintock*

**STATUS HB:**       **DEAD** – Senate Law & Justice Committee

**5. HB 2231/SB 6242 – Attracting & Retaining Law Enforcement Officers**

- Authorizes cities and counties to impose a sales and use tax credited against the state sales and use tax for the purpose of attracting and retaining law enforcement officers.
- At least 50% of the money received must be used solely for attracting and retaining additional commissioned law enforcement officers. The remaining percentage of the money received may be used for criminal justice purposes.
- Counties and cities are authorized to impose the sales and use tax as follows:
  - Counties and cities with a population of 50,000 or less may impose the sales and use tax beginning January 1, 2025.
  - Counties and cities with a population between 50,000 and 175,000 may impose the sales and use tax beginning January 1, 2027.
  - All remaining counties and cities may impose the sales and use tax beginning January 1, 2029.

**Sponsors:** *Representatives Walen, Chapman, Hackney, Springer, Goodman; Senators Mullet, Lovick*

**STATUS HB:**       **DEAD** – House Local Government Committee

**STATUS SB:**       **DEAD** – House Appropriations Committee

**WLA 2023 Priority Bills (Alive but NO action yet in 2024)**

**1. HB 1628 - Highest State REET Tax in America on Properties Over \$5 Million**

**Original Bill**

- Would create a new tier in the state graduated REET Tax that would be the highest REET Tax in America on sales over \$5 million.
- The REET Tax would be 4% of the selling price that is greater than \$5 million, beginning January 1, 2025.
- The REET Tax shall be split as follows:
  - 30% to the Washington housing trust fund created in RCW 43.185.030;
  - 30% to the apple health and homes account created in RCW 43.330.184;
  - 15% to the developmental disabilities trust account created in the bill.

- 24% to the affordable housing for all account created in RCW 43.185C.190 for operations, maintenance, and service cost for permanent supportive housing as defined in RCW 17 36.70A.030.

#### **Amended Bill**

- Allows counties and cities that impose the new real estate excise tax for use on capital construction or acquisition of affordable housing costs of new units to also use tax revenue for infrastructure costs associated with such housing and facilities.
- Allows counties that are not required to plan under the Growth Management Act, but that have chosen to do so, and the cities within those counties, to impose the second 0.25 percent local government real estate excise with councilmanic authority, rather than with voter approval beginning on January 1, 2024.
- Allows revenue from the 1<sup>st</sup> and 2<sup>nd</sup> 0.25 percent local government real estate excise tax to be used for any capital projects, maintenance, operations and service support for existing projects.

#### **Amendment in House Finance Committee HB 1628 (H-1928.3/23):**

- Beginning January 1, 2025, increases the “ceiling” for the Tier 1 1.1% state REET tax from \$525K to \$750K. As a result, Tier 2 (1.28%) will be \$750K to \$1.525M.
- Beginning January 1, 2025, increases the state REET rate for Tier 4 (selling price over \$3.025M) from 3% to 3.5% except for commercial property. Commercial property will pay 3% on selling price over \$3.025M through December 31, 2026. The new 3.5% will take effect for commercial property beginning January 1, 2027.
- Removes the creation of Tier 5 for selling prices above \$5M.
- Provides a definition for “Commercial property”
- Replaces increment calculation for distributions of revenues with a new percentage calculation to all accounts.
- Requires at least \$5M per fiscal year of the state REET revenues deposited into the Washington House Trust Fund be used for farmworker housing.
- Additional directions for the use of moneys in the Developmental Disabilities Housing and Services Account are added.

#### **Talking Points:**

- Would create a new tier in the state graduated REET Tax that would be the **highest State REET Tax in America** on sales over \$5 million.
- Costs are already increasing for small housing providers, this will create even more burden on these small businesses and will lead to less housing.
- Increased REET Taxes will discourage housing investment and development in Washington State, increasing rents, and worsening our housing crisis.
- WA is becoming less desirable and less competitive for real estate investment. There are 15 states that do not charge real estate excise or transfer taxes at all. In addition, WA is one of 23 states that also allow a local option real estate excise or transfer tax on top of that. The higher our WA fees, the more likely to drive investment to other states.

- Commercial real estate has taken a lot of financial hits during the pandemic and is still recovering, enacting the nation's highest REET tax would not allow that recovery.
- With many companies still not back to work in the office, adding this extreme REET tax to commercial properties will only exacerbate that problem.
- Higher taxes and increased administrative burden have proven to consistently drive real estate investment out of the market and likely increase rental prices.

**Sponsors:** *Representatives: Chopp, Macri, Peterson, Alvarado, Taylor, Reed, Pollet, Lekanoff, Fitzgibbon, Berg, Riccelli, Davis, Street, Ramel, Duerr, Senn, Doglio, Cortes, Stonier, Gregerson, Mena, Berry, Fosse, Goodman, Bergquist, Slatter, Ormsby, Thai, Farivar, Simmons, Wylie*

**STATUS HB:** House Rules "X" file

**2. HB 1388 – Rent Control – Protecting tenants by prohibiting predatory residential rent practices and by applying the consumer protection act to the RLTA and MHLTA**  
**Original Bill**

- Applies to both residential housing and manufactured home communities.
- Prohibits a landlord from increasing rent more than the rate of inflation (CPI-U) or 3%, whichever is greater, up to a max of 7% above rent if the rent increase:
  - Is not justified by costs necessary to maintain the dwelling unit
  - Is substantially likely to lead to the displacement of the tenant, or
  - Is used to avoid other tenant protections.
- Rent increase provisions do not apply to:
  - Dwelling units that are less than 10 years old.
  - Tenancies for which the landlord is required to reduce rent to 30% or less of the tenant's income because of a federal, state, or local program or subsidy.
- Creates a private cause of action for a tenant to recover actual damages, punitive damages equal to 3 months' rent and fees, and reasonable attorneys' fees and costs.
- Provides that a violation of the RLTA or MHLTA is a violation of the Consumer Protection Act.
- Prohibits charging a higher rent or including terms of payment or other material conditions in a rental agreement that are more burdensome to a tenant for a month-to-month rental agreement than for a longer-term rental agreement.
- Authorizes the Attorney General (AG) to:
  - Investigate practices that violate this section. When investigating, the AG may consider, in addition to any other relevant information:
    - The condition of the unit, including outstanding repair issues, maintenance costs other than for upgrades, property taxes, etc.;
    - Whether a rent increase was issued to evade protections afforded to tenants; and
    - Whether a rent increase will result in the displacement of the tenant or household.

- Issue a cease-and-desist letter to prevent predatory practices that violate this section. If the recipient does not comply within five calendar days, the AG may file an action in court with a civil penalty up to \$10,000 per ;
- Imposes a civil penalty of no more than \$25,000 per violation.
- Requires Commerce to calculate and publish the maximum annual rent increase percentage on September 30, 2023, and on each following September 30<sup>th</sup>.
- Includes an emergency clause and an immediate effective date.

**Amended Bill**

- Removes references to "predatory" prohibited practices rather than prohibited predatory practices.
- Revises the prohibition on excessive rent increases such that a landlord may not rent or seek to rent a dwelling unit at an excessive rent, if such rent increase is:
  - Beyond the amount reasonably necessary to maintain or improve the dwelling unit; and is
  - Substantially likely to cause the tenant or household to move or involuntarily relocate from the home; or
  - Is used as a means to avoid other protections afforded to tenants under the RLTA, the MHLTA, or any other applicable law.
- Revises the exemption for tenancies in new buildings from 10 years or less to 12 or less years.
- Revises the provisions related to the Attorney General's investigation authority to clarify the types of civil investigative demands that the Attorney General may issue.
- Revises the provisions related to the Attorney General's enforcement authority to clarify that the enforcement authority for the cease-and-desist letter is separate from the general enforcement authority for the bill
- Makes clear that the Attorney General's enforcement is not a prerequisite for a tenant to bring a private action against a landlord.

**Sponsors:** *Representatives: Macri, Ramel, Peterson, Thai, Gregerson, Hackney, Ormsby, Alvarado, Doglio, Cortes, Riccelli, Mena, Kloba, Bateman, Fitzgibbon, Street, Taylor, Lekanoff, Simmons, Farivar, Pollet, Stonier, Berry, Reed, Bergquist, Morgan, Davis, Santos, Chopp, Reeves, Stearns, Fosse*

**STATUS HB:**      **DEAD** – House Appropriations Committee

**3. HB 1389/SB 5435 – Rent Control - Concerning residential rent increases under the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act.**

**Original Bill**

- Applies to both residential housing and manufactured home communities.
- Prohibits a landlord from increasing the rent more than the CPI-U or 3%, whichever is greater, up to a maximum of 7%. Commerce is required to calculate and publish the maximum annual rent increase percentage.
- Contains a VERY complicated "banking" process to carry forward the ability to give an increase later if not given in that year.

- Prohibits a landlord from increasing the rent in the first 12 months of a tenancy.
- "Rent increase" is defined to include any new charges added to a rental agreement that were not identified in the initial rental agreement. For example, new parking, utility, or other charges.
- Requires a landlord that increases rent above the limit to include facts supporting the exemption in the written notice of the rent increase.
- Creates a private cause of action for a tenant to recover actual damages, punitive damages equal to 3 months' rent, and reasonable attorneys' fees and costs.
- Provides the following exemptions from the maximum annual rent increase limit:
  - Dwelling units that are less than 10 years old;
  - Tenancies for which the landlord is required to reduce rent to 30% or less of the tenant's income because of a federal, state, or local program or subsidy;
  - If a landlord has paid for improvements costing more than 4 months' rent...
  - If a landlord is experiencing significant hardship in complying with rent control due to a disparity between the local costs for providing housing and the statewide costs, the landlord may request an individual exemption from Commerce.

#### **Amended Bill**

- Modifies the definition of "rent increase" to remove the list of examples.
- Revises the exemption for tenancies in new buildings from 10 years or less to 12 or less years.
- Limits the use of banked capacity to a 10% annual rent increase. Remaining banked capacity may be retained for potential use in future years.
- Under the banked capacity program if a tenant voluntarily moves out and the landlord chooses to charge the new tenant the same or less than the amount of rent that the landlord charged the previous tenant, the landlord may retain any banked capacity that was accrued under the prior tenancy.

**Sponsors:** *Representatives: Ramel, Macri, Peterson, Duerr, Gregerson, Alvarado, Ormsby, Doglio, Riccelli, Cortes, Mena, Thai, Kloba, Bateman, Street, Taylor, Lekanoff, Simmons, Farivar, Pollet, Stonier, Berry, Reed, Bergquist, Davis, Santos, Senn, Reeves, Stearns, Fosse; Senators Trudeau, Saldaña, Frame, Hunt, Keiser, Kuderer, Lovelett, Nguyen, Robinson, Stanford, Wilson, C.*

**STATUS HB:**       **DEAD** – House Rules "X" file

**STATUS SB:**       **DEAD** – Senate Housing Committee

#### **4. HB 1625/SB 5615 – Local Rent Control**

- Removes the State Preemption on Rent Control (RCW 35.21.830) allowing local governments to enact local rent control.



- Would allow every Local Government to create a different local rent control policy; that could mean **more than 450 different local rent control policies across WA State.**
- There is no floor to what a city could impose under local rent control including denying any increase whatsoever to housing providers.
- The desperate need for “Middle Housing” solutions shows that cities have not found solutions for housing, why should we trust them with local rent control?

**Sponsors:** *Representatives: Pollet, Farivar, Chopp, Alvarado, Macri, Doglio, Ramel, Reed, Fosse, Street; Senators: Valdez; Senators: Valdez, Hasegawa, Hunt, Kuderer, Lovelett, Nguyen, Nobles*

**STATUS HB:** **DEAD** – House Housing Committee

**STATUS SB:** **DEAD** – Senate Local Government, Land Use & Tribal Affairs

#### 5. **SB 5697** – Mobile Home Park Rent Control

- Applies only to Manufactured Housing and it has added the UTC as the governing "rent control board" instead of the "Department of Commerce."
- Purports to authorize the utilities and transportation commission (UTC) to regulate the rates and services of all persons engaging in the business of acting as a landlord for a manufactured home community/mobile home park.
- Amends RCW 59.20.
- Adds a definition of consumer price index which references the West Region index published in September of the current calendar year.
- Caps annual rent increases as follows (Section 2 (1) (a) and (b)):
  - No increase during first 12 months of tenancy
  - At any time after the first year, increase may not exceed an amount greater than the rate of inflation as measured by the consumer price index
- Contains **vacancy control** in limited situations where the tenancy is terminated by the landlord [landlord terminating a tenancy may not set rent for the next tenancy in an amount greater than the consumer price index].
- Certain exemptions including (a) full decontrol if the tenant leaves voluntarily and (b) a banked capacity program.
- Expressly removes current law that describes leases having a term of 2 years or more; the intent must be to impair all such existing leases and prohibit new ones that do not conform to this bill.

#### **Talking Points:**

- Investment in communities will decline and well capitalized buyers will flee. I
- Housing will not be more affordable because supply will decline; no NEW communities or sites will be built.
- Infrastructure & amenities will decline as investment declines.

- Rent Control is unconstitutional; cannot be sustained on stories and anecdotes; No Legitimated state interest is established.
- Housing is impacted nationwide by a lack of supply and decline in building over the last decade; states need to reverse this trend not punish current affordable housing providers.
- Bill demonstrates that rent control is meant to be punitive to current owners of affordable housing communities given severe penalties and new bureaucratic reporting requirements.
- Look at California - decades of rent control have not created affordable housing; just the opposite.
- This bill is punitive rent control - cannot be disguised as utility regulation
- Utilities and transportation commission does not have expertise to regulate housing
- This bill singles out Manufactured Housing community providers over all other forms of housing
- Bill Destroys family owned businesses and value created over generations.

**Sponsors:** *Senators Van De Wege, Kuderer, Conway, Hunt, Lovelett, Wilson, C.*

**STATUS SB:**        **DEAD** – Senate Ways & Means Committee

**6. HB 1124 – Protecting tenants from excessive rent and related fees by providing at least six months' notice for rent increases over a certain amount, allowing tenants the right to terminate a tenancy without penalty, and limiting late fees.**

**Original Bill**

- A landlord may not increase a tenant's rent by more than 5 percent without providing written notice between 180 and 220 days before the increase takes effect.
- The notice must inform the tenant of the tenant's ability to terminate the tenancy without penalty. A tenant who receives notice of a rent increase of more than 5 percent may terminate the tenancy at any point prior to the effective date of the increase by providing at least 20 days' notice for a month-to-month or at least 45 days' notice for a tenancy with a lease, and the landlord must prorate the rent owed to the tenant's move-out date.
- A tenant who is charged and pays rent reflecting an increase of more than 5 percent without receiving the required written notice may recover actual damages in the amount of the excess rent paid and treble damages, costs, and reasonable attorneys' fees.
- A landlord may not charge a tenant a fee for late payment of rent that exceeds \$75 total.

**Amended Bill**

- Excludes any utility charges in calculating the 5% threshold for requiring landlord notice and tenant ability to terminate a tenancy.



- Changes the bill's limit on late rental payment fees from \$75 total to the lesser of 10 percent of the rental amount, excluding any charges for utilities, or \$75 total.
- Applies the limits on late rental fees to tenancies covered by the MHLTA.

**Talking Points:**

- This bill is rent control lite
- This bill puts an unreasonable expectation on housing providers to predict the rental housing environment over 180 days in advance.
- The bill incentivizes housing providers to regularly increase their rents and punishes housing providers for not increasing rent each renewal.
- This bill creates a confusing and narrow window to issue a rent increase notice and may conflict with the existing lease term.
- Giving tenants the ability to terminate a lease without penalty, after receiving a rent increase, steps between a private contract between two parties. Tenants would be able to violate or break the lease unilaterally which leaves housing providers concerned if their lease will be upheld.
- Late fees are designed to incentivize tenants to pay rent on time. A nominal fee provides little incentive and invalidates the purpose of the fee.
- A nominal fee allows the tenant to use the landlord as a bank.
- The landlord incurs significant cost to service notices related to past due rent.

**Sponsors:** *Representatives Peterson, Fitzgibbon, Taylor, Street, Berry, Bateman, Ramel, Doglio, Macri, Simmons, Chopp, Lekanoff, Thai, Bergquist, Stonier, Pollet, Riccelli, Ormsby*

**STATUS HB:**        **DEAD** – House Rules Committee

**7. HB 1817/SB 5741 – Housing Gap Voucher Pilot Program**

- Creates rental assistance vouchers through housing authorities for residents to bridge the gap between their income and their rent.
- Makes available rental assistance for seniors, low-income families, and members of marginalized communities living in manufactured housing or rental housing in Washington.
- Vouchers are targeted to 80% AMI and below, adjusted by family size and area.
- Voucher is good for up to 12 months and allows residents in need to reapply.
- Voucher amounts is enough to bridge the gap but not paying all of the monthly rent.

**Sponsors:** *Representatives Rule, Connors; Senators Braun, Lovick, Wilson, J.*

**STATUS HB:**        **DEAD** – House Housing Committee

**STATUS SB:**        **DEAD** – Senate Housing Committee

**8. HB 1404/SB 5117 – Reforms to Building Code Council**

- Reforms the State Building Code Council.
- This bill would look at trying to reform the board, define its authority and create legislative oversight.

**Sponsors:** *Representatives Goehner, Chapman, Corry, Jacobsen, Griffey, Rude, Couture, Christian, Cheney, Barkis, Stokesbary, Barnard; Senators Wilson, L., Braun, Dozier, Fortunato, Gildon, King, MacEwen, McCune, Short, Warnick*

**STATUS HB:** **DEAD** – House Local Government Committee

**STATUS SB:** **DEAD** – Senate State Government & Elections Committee

#### 9. SB 5037 – Natural Gas/Energy Code

- The Washington state energy code may not prohibit the use of natural gas for any form of heating, or for uses related to any appliance, in any building.
- Requires a vote of the people for their adoption and ratification, or rejection, at the next general election.

**Sponsors:** *Senators Wilson, L., MacEwen, Braun, Dozier, Fortunato, McCune, Muzzall, Schoesler, Short, Torres, Van De Wege, Wagoner, Warnick*

**STATUS SB:** **DEAD** – Senate Environment, Energy & Technology Committee

