WA Landlord Association

2025 Legislative Priorities

2025 Opposite House Fiscal Committee Cutoff Legislative Report

April 13, 2025

The 2025 regular session will last **160 days** and end on **Sunday, April 27, 2025**.
The Fiscal Committee Cutoff was on **Tuesday, April 8.**
The Opposite House Cutoff is on **Wednesday, April 16.**

Below is the list of High Priority bills for the 2025 Legislative session.

WLA Priority Real Estate Bills in the Legislature in 2025

1. **HB 1217/~~SB 5222~~** – Rent Control **– OPPOSE**
2. ~~**HB 1380** – Homelessness Regulation Framework **– OPPOSE**~~
3. **HB 1907/SB 5711** – Unconstitutional Tax on Rent **– OPPOSE**
4. ~~**HB 1915** – The Rental Restriction Act **– OPPOSE**~~
5. **HB 1334** – Property Tax Limits **– OPPOSE**
6. ~~**SB 5469** – Algorithmic Rent Setting **– CONCERNS**~~
7. ~~**HB 1768** – Manufactured Housing Restrictions **– OPPOSE**~~
8. ~~**HB 1365** – Mobile Home Rental Assistance **– SUPPORT**~~
9. **HB 1108** – Housing Cost Task Force **– SUPPORT**
10. ~~**HB 1443/SB 5332** – Mobile Dwellings **– OPPOSE**~~
11. **HB 1191** – Manufactured Homes Reclassification **– NEUTRAL**
12. ~~**HB 1204** – Senior Homesharing Rights **– CONCERNS**~~
13. ~~**HB 1542** – Senior Independent Housing **– CONCERNS**~~
14. **~~HB 1358~~/SB 5298** – Mobile Home Sales **– CONCERNS**
15. ~~**HB 1097** – Governmental Services Beyond UGA **– SUPPORT**~~
16. **HB 2027** – REET + Residential REET Tax **– OPPOSE**
17. ~~**SB 5382** – Ballot Measure Petitions – Petition Signature Verification **– OPPOSE**~~
18. ~~**HB 1206/SB 5679** – Multifamily Tax Exemption Expansion **– SUPPORT**~~
19. **SB 5313** – Prohibited Rental Agreement Provisions **– CONCERNS**
20. **HB 1096** – Lot Splitting **– SUPPORT**
21. ~~**HB 1160** – Streamlining Local Gov Design Review **– SUPPORT**~~
22. ~~**HB 1303/SB 5380** – Environmental Justice Integration **– OPPOSE**~~
23. **~~HB 1235~~/SB 5148** – Housing Accountability Act **– SUPPORT**
24. **HB 2024/SB 5770** – Primary Residence Property Tax Exemption **– OPPOSE**
25. **HB 1165** – Property Tax Exemptions **– SUPPORT**

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~~26. **HB 1099/SB 5731** – Tenant Assistance Program – **SUPPORT**~~
~~27. **HB 1089/SB 5740** – Tenant Safety Act – **SUPPORT**~~
~~28. **HB 1088/SB 5678** – Residential Landlord-Tenant – **SUPPORT**~~
~~29. **SB 5661** – Landlord-Tenant Preemption – **SUPPORT**~~
~~30. **HB 1164** – Urban Growth Area Boundaries – **SUPPORT**~~
~~31. **HB 1342** – Unlawful Detainer Notices – **SUPPORT**~~
~~32. **SB 5028** – Unlawful Camping – **SUPPORT**~~
~~33. **HB 1255** – Encampment Removal – **SUPPORT**~~

Revenue Bills

34. **SB 5798** – Property Tax Increases **– OPPOSE**
35. **SB 5797** – Intangible Assets Tax **– OPPOSE**
36. **SB 5796** – Payroll Expense Tax on Large Employers **– OPPOSE**
37. **SB 5795** – State Sales and Use Tax Reduction **– NEUTRAL**
38. **SB 5794** – Repeal of Tax Exemption Preferences **– OPPOSE**

*NTIB Bills (Necessary to Implement the Budget)

WLA Bill Tracking Detail

1. HB 1217/~~SB 5222~~ – Rent Control – OPPOSE

Residential Provisions:

- No rent increases in the first year of tenancy.
  - Following first year, no more than 10% + CPI for yearly rent & fee increases
- Exemptions for housing owned by non-profits or housing authorities.
- 90 days notice for any rent increases.
- No Vacancy Control: Rents may be increased beyond the cap in-between tenancies.
- Exemptions on buildings that are 15 years old or less.
- No more than 5% difference allowed for terms of a month-to-month vs term lease

Manufactured Housing Provisions:

- No rent increases in first year of tenancy.
- Following first year, no more than 5% yearly rent & fee increases.
  - Allows for a one time increase up to 10% only if/when tenant sells the mobile home.
  - Must notify buyer of this one time 10% increase.
- Cap on total move in fees (includes security deposit)
  - 1 month's rent OR 2 months' rent only if a pet will be living on the premises.
- Cap on late fees (5-day grace period for each month)
  - 2% late fee may be charged for the first late month
  - 3% late fee may be charged if the tenant is late for a second consecutive month.
  - 5% late fee may be charged if the tenant is late for a third consecutive month.

Tenant Recourse if Landlord Violates Rent Cap:

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- If a housing provider increases rent by an amount higher than allowed in this bill, the tenant must provide the opportunity to cure by providing a written demand to lower the rent.
- Residential only: Tenant may terminate the lease with 20 days notice.

Tenant or Attorney General may bring action to enforce compliance.

- If housing provider is found in violation damaged could include:
  - Damaged of excess rent, fees and costs paid.
  - Up to three months rent.
  - Reasonable attorney fees.
  - May not report tenants' failure to pay unlawfully increased rent.

Exemptions

- Public housing authority, public development authority, nonprofit organization
- Residential only: Single Family Homes or owner occupied building up to a fourplex.
- Residential only: Real estate investment trusts, corporations or LLCs where a member is a corporation are not permitted to receive any exemptions.

Amendment in Senate Housing Committee

- Removes from the notice of rent increase the requirement that when a landlord is claiming an exemption that the landlord must do so under penalty perjury.
- Sets an expiration date of July 1, 2045, for the first three sections of the bill.
- Requires the joint legislative audit and review committee to analyze the effects of the act and provide the analysis to the appropriate committees of the legislature within 10 years of the effective date of the act.
- Clarifies the tenant receives damages awarded if either the tenant or the attorney general brings an action for a violation of the statute, and if attorneys' fees and costs are awarded, they go to who filed the lawsuit.
- Authorizes the attorney general to bring an action notwithstanding whether the tenant has offered the landlord an opportunity to cure, and may recover civil penalties of not more than $7,500 for each violation in addition to other remedies provided by the act.
- Provides the attorney general with authority to issue written civil investigative demands for pertinent documents, answers to written interrogatories, or oral testimony as required to investigate or bring an action.
- Changes the rent increase cap for manufactured/mobile home landlord-tenant act from seven percent to five percent.
- Removes the rent increase cap limitation when a rental agreement is transferred according to statute due to a former tenant's sale of a manufactured/mobile home when the landlord exercises the option to make a one-time increase to the rent for the manufactured/mobile home lot at the time of first renewal of the rental agreement after the transfer.
- Eliminates the requirement that the department of commerce contract with an independent third party to carry out a social vulnerability assessment of the impacts of this act.

Amendment in Senate Ways & Means Committee

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- Shortens sunset period on provisions that affect rent increase maximums, exemptions to rent increase maximums, and content of notice of rent increases under the Residential Landlord-Tenant Act (RLTA) to 15 years.
- Lengthens exemption from maximum rent increases under the RLTA for new construction from 12 to 15 years after a certificate of occupancy is issued.
- Makes a conforming amendment to the required notice of rent increases landlords must provide tenants.

Senate Floor Amendments

- Replaces the notice form with the required notice elements and an ability for tenants to opt in to electronic notice.
- Adds an exemption to the rent increase limit under the Residential Landlord Tenant Act for a qualified low-income housing development which was allocated low-income housing tax credits by the Washington State Housing Finance Commission, so long as there is an enforceable regulatory agreement with the Washington state housing finance commission under the low-income housing tax credit program.
- Exempts single-family tenancy where the single-family home is not owned by a real estate development trust, corporation, or limited liability company in which at least one member is a corporation from the limitations of rent increases under the act.
- Increases the annual limitation on rent increases for tenants under the Residential Landlord-Tenant Act from seven percent to 10 percent plus the consumer price index as of April 1st of the current year as published by the United States bureau of labor statistics.

Sponsor: *Representative Alvarado, Macri, Ramel, Peterson, Berry, Mena, Thai, Reed, Obras, Farivar, Parshley, Ortiz-Self, Cortes, Duerr, Street, Berg, Taylor, Fitzgibbon, Doglio, Timmons, Tharinger, Fosse, Gregerson, Simmons, Wylie, Pollet, Kloba, Nance, Davis, Ormsby, Lekanoff, Bergquist, Scott, Stonier, Hill; Senators Trudeau, Chapman, Bateman, Conway, Frame, Hasegawa, Lovelett, Nobles, Orwall, Pedersen, Riccelli, Robinson, Saldaña, Slatter, Stanford, Valdez, Wilson, C.*

Status HB: Passed the Senate on April 10, 2025 || 29-20 | |
Likely back to House for Concurrence on Senate Amendments

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

2. HB 1380 – Homelessness Regulation Framework – OPPOSE

- Establishes a framework for regulating public property use, focusing on individuals experiencing homelessness.
- Requires local laws regulating activities such as sitting, lying, or sleeping outdoors to be objectively reasonable in terms of time, place, and manner.
- Provides an affirmative defense for individuals charged under such laws if the laws are deemed not objectively reasonable.
- Allows legal challenges for injunctive or declaratory relief against unreasonable laws, with potential attorney fee awards for prevailing plaintiffs.
- Specifies that the bill does not create a private right of action for monetary damages and applies retroactively and prospectively to relevant laws.

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Proposed Substitute House Bill 1380 in House Appropriations Committee:

- Specifies that the objective reasonableness requirement applies not only to the local laws, themselves, but also to the enforcement of any such local laws regulating the acts of sitting, lying, sleeping, or keeping warm and dry outdoors on public property that is open to the public.
- Specifies that objective reasonableness must be determined through an assessment of the totality of the circumstances and must consider the following factors:
  - the need to protect public safety and health, including the safety and health of both persons experiencing homelessness and the general public;
  - the availability and accessibility of alternative shelter or housing options for persons experiencing homelessness in the jurisdiction;
  - the impact on persons experiencing homelessness, including their ability to access essential services, maintain personal safety, and meet basic needs such as keeping warm and dry; and
  - the proportionality of the law to the issue it seeks to address, including a requirement that such laws avoid excessive or extreme measures that are not justified by the totality of the circumstances.
- Requires a court to give special consideration to the following factors when determining whether a local law or enforcement of such law is objectively reasonable in an action brought under the bill:
  - the specific characteristics and intended use of the public property in question;
  - the unique needs and circumstances of the local community, including the prevalence and characteristics of homelessness in the area; and
  - the potential long-term effects of the local law or enforcement of such law on both persons experiencing homelessness and the general public.
- Defines city or town, code city, or county "laws" for the purposes of the bill to include any city or town, code city, or county ordinances, policies, rules, regulations, or other official controls.

Sponsor: *Representatives Gregerson, Peterson, Parshley, Simmons, Alvarado, Pollet, Macri, Hill, Ormsby*
Status: **DEAD** – House Rules Committee

3. **HB 1907/SB 5711 – Unconstitutional Tax on Rent – OPPOSE**
   - Redefines the rental or lease of individual storage units at self-service storage facilities as a retail transaction, making it subject to Washington's sales tax and business & occupation (B&O) tax.
   - **Increased Costs for Consumers**: The added sales tax will result in higher rental prices for self-storage units. This will hit low-income individuals, seniors, and small businesses the hardest, as many rely on storage for personal belongings, inventory, or equipment.

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- **Unfair Burden on Small Businesses**: Many small businesses depend on self-storage for affordable space. Taxing these rentals adds an unnecessary financial strain, making it more difficult for them to thrive.
- **Inconsistency and Dangerous Precedent**: Self-storage units are real property, not retail services. Historically, real estate leases have not been subject to sales tax. This reclassification could set a dangerous precedent that leads to taxation of other real estate rentals, including residential and commercial leases.
- **Negative Impact on the Storage Industry**: Storage businesses will face increased tax obligations, forcing them to raise prices. This could lead to declining demand, loss of customers, and reduced investments in new facilities across Washington.
- **Regressive and Unfair Taxation**: This tax will disproportionately affect lower-income individuals, who often rely on storage due to downsizing or housing instability. There are no direct benefits for storage users, as the tax revenue is earmarked for unrelated affordable housing programs.
- **Legal Concerns**: Washington's Constitution prohibits taxing rent on real estate. By redefining self-storage as a retail transaction, SB 5711 could be seen as an unconstitutional attempt to impose taxes on real property rentals. Legal challenges are likely, and the bill's legal standing is highly questionable

Sponsor: *Representatives Peterson, Gregerson, Ormsby, Parshley, Pollet, Macri, Hill; Senators Bateman, Alvarado, Nobles, Trudeau*
Status HB: House Finance Committee |NTIB
Status SB: Senate Ways & Means Committee |NTIB

4. HB 1915 – The Rental Restriction Act – OPPOSE

- The legislation aims to strengthen tenant protections and introduces major changes that limit housing providers' ability to manage tenancies, increase eviction restrictions, and impose new financial burdens on rental property owners.
- Expands notice requirements for evictions, including a 30-day notice for nonpayment of rent in "covered dwelling units" and detailed notices for lease breaches.
- Establishes affirmative defenses for tenants, including landlord failure to maintain the property or provide reasonable accommodations for disabilities.
- Prohibits retaliatory evictions and allows courts to award damages, including economic and noneconomic damages, or three times the monthly rent.
- Limits lease terminations to specific enumerated causes, such as nonpayment of rent or property sale, and introduces protections for tenants in transitional and shared housing.
- Provides for repayment plans allowing tenants to repay back-owed rent over six months and requires landlords to accept emergency rental assistance funds.

Sponsor: *Representatives Richards, Thomas, Simmons, Scott, Parshley, Pollet, Hill*
Status HB: **DEAD –** House Housing Committee

5. **HB 1334 – Property Tax Limits – OPPOSE**

- Revises the property tax revenue growth limit by incorporating inflation and population changes, with a maximum cap of 3 percent.

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- Defines "inflation" as the annual percentage increase in the Consumer Price Index (CPI) for all urban consumers in the western region, replacing the previous implicit price deflator metric.
- Introduces "population change" as a factor in the limit calculation, with specific rules for taxing districts spanning multiple jurisdictions.
- Establishes new procedural requirements for the Department of Revenue and county assessors to determine and communicate applicable limit factors annually.
- Repeals RCW 84.55.0101, which allowed taxing districts to adopt lower limit factors through ordinances or resolutions.

Sponsor: *Representative Pollet, Duerr, Fitzgibbon, Ryu, Berry, Ormsby, Ramel, Macri, Reed, Hill, Doglio, Alvarado, Callan, Fosse*
Status: House Finance Committee |NTIB

6. **SB 5469** – **Algorithmic Rent Setting – CONCERNS**
    - Prohibits landlords from using service providers that employ algorithms or automated systems to coordinate rental pricing or lease terms across multiple landlords.
    - Bans service providers from offering rental pricing coordination services to two or more landlords.
    - Declares violations of these prohibitions as unfair trade practices under the Consumer Protection Act, granting enforcement authority exclusively to the Attorney General.
    - Codifies these provisions as a new chapter in Title 19 RCW.

Sponsor: *Senators Salomon, Bateman, Trudeau, Frame, Hasegawa, Lovelett, Nobles, Pedersen, Saldaña, Shewmake, Valdez, Wilson, C.*
Status: **DEAD** – House Appropriations Committee

7. HB 1768 – **Manufactured Housing Restrictions – OPPOSE**
- Prohibits business entities owning at least five manufactured housing communities or 200 lots from acquiring additional properties in this sector.
- Bans investment entities, such as real estate investment trusts, from acquiring manufactured housing communities or lots altogether.
- Exempts nonprofit organizations, housing authorities, and entities developing new manufactured housing communities from these restrictions.
- Designates violations as unfair or deceptive acts under the Consumer Protection Act, subjecting violators to civil penalties of up to $100,000 per violation and requiring property divestiture.
- Excludes sellers of manufactured housing communities or lots from liability for violations.

Sponsor: *Representative Lekanoff, Bernbaum, Scott, Parshley, Eslick, Pollet, Reed*
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8. HB 1365 – Mobile Home Rental Assistance – SUPPORT

- Establishes a rental assistance program for low-income seniors living in manufactured/mobile home parks, administered by the Department of Commerce.
- Provides monthly rental assistance capped at the lesser of $200 or 50% of the monthly rent for eligible tenants.
- Limits eligibility to tenants over 55 years old who are low-income and have experienced a rent increase exceeding inflation.
- Requires tenants to reapply annually for continued assistance and notify the department of any changes in income or rent.
- Appropriates $2,000,000 from the general fund for the fiscal year ending June 30, 2026, to support the program, with a contingency clause nullifying the act if funding is not provided by June 30, 2025.

Sponsor: *Representatives Orcutt, Rude, Klicker, Eslick, Jacobsen, Ley, Dufault, Schmick, Scott, Nance*
Status: **DEAD –** House Housing Committee

9. HB 1108 – Housing Cost Task Force – SUPPORT

- Creates a legislative task force to analyze housing cost drivers.

Amendment in House Housing Committee

- Clarifies that the housing for which the task force must research, analyze, and determine the primary cost drivers includes both homeownership and rental housing. Modifies membership of the task force as follows:
  1. Replaces the member representing nonprofit housing developers with one member representing nonprofit housing developers of rental housing and one member representing nonprofit housing developers for homeownership;
  2. Modifies the member representing labor to a member of a statewide organization representing the building trades labor;
  3. Replaces the member representing landlords with one member representing landlords who provide at least 10 rental housing units and one member representing landlords who provide no more than two rental housing units; and
  4. Adds one member from a statewide association representing real estate appraisers

Amendment in House Appropriations Committee

- Limits the task force to three meetings. Requires all task force meetings to be held virtually.
- A null and void clause is added, making the bill null and void unless funded in the operating budget.

House Floor Amendment

- Adds two members to the task force: one representing the Office of Equity and one representing the Carpenters Union.

Senate Housing Committee Amendment

- Directs WSIPP to conduct a study researching, analyzing, and determining, to the extent practicable, the primary cost drivers for homeownership and rental housing in Washington state and produce a final report to the Legislature by December 1, 2026.

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- Requires WSIPP to conduct fact-finding and stakeholder discussions through a task force with specified members, rather than convening a legislative task force.
- Requires the Department of Commerce to cooperate with WSIPP to facilitate access to data or other resources necessary to complete the work under the act.

Sponsor: *Representative Klicker, Peterson, Barkis, Ybarra, Low, Leavitt, Schmidt, Eslick, Penner, Connors, Paul, Ramel, Jacobsen, Shavers, Burnett, Rude, Keaton, Obras, Timmons, Wylie, Caldier, Barnard, Rule, Nance, Berg, Bernbaum*

Status HB: Passed the Senate | 44 yeas; 5 nays; 0 absent; 0 excused | Back to House for Concurrence on Senate Amendments

10. HB 1443/SB 5332 – Mobile Dwellings – OPPOSE

- Requires cities and counties planning under RCW 36.70A.040 to permit at least one "home on wheels" on residential lots under specific conditions, including utility connection requirements.
- Defines "home on wheels" as vehicular units designed for recreational camping or travel, such as travel trailers and motor homes.
- Prohibits associations, including homeowners' associations and condominium associations, from enacting rules that restrict the placement of homes on wheels on residential lots, with these prohibitions expiring on January 1, 2028.
- Establishes utility connection standards, including potable water, sanitary sewer, and electrical service, while restricting inspections to utility hookups only.

Amendments In House Appropriations

- Requires a fully planning city or county to allow up to two mobile dwellings on each residential lot.
- Prohibits a common interest community from enacting any new rules that would prohibit up to two mobile dwellings per residential lot.
- Requires a water connection for a mobile dwelling that is made through a yard hydrant to be made through a sanitary yard hydrant.
- Requires an approved double check valve assembly to be installed downstream of the water meter and to be inspected and reported as required by the water system.
- Extends the deadline for cities to comply with the mobile dwelling provisions by requiring cities with a comprehensive plan update due in 2027 to comply in that update and requiring all other fully planning cities to comply within two years.
- A null and void clause is added, making the bill null and void unless funded in the budget.

Sponsor: *Representatives Gregerson, Barkis, Peterson, Low, Duerr, Reed, Parshley, Nance, Bernbaum, Ormsby, Hill, Simmons; Senators Shewmake, Wilson, J., Bateman, Chapman, Nobles, Valdez*

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

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

11. HB 1191 – Manufactured Homes Reclassification – NEUTRAL

- Aims to streamline the classification of manufactured homes as real property by eliminating vehicle titles, simplifying the legal process.

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- Updates terminology across relevant statutes, replacing "mobile home" with "manufactured home" for consistency.
- Expands the definition of "owner" to include those with interests in mobile home parks, clarifying ownership rights.
- Specifies that manufactured homes will be classified as real property once their vehicle titles are eliminated, aligning them with real property laws.
- Details procedures for securing and transferring manufactured homes as part of real property, including the requirement for secured party consent and procedures for physical removal.

Sponsor: *Representative Connors, Peterson, Ryu, Gregerson, Barkis, Ormsby, Hill*
Status: Delivered to the Governor

12. HB 1204 – Senior Homesharing Rights – CONCERNS

- Facilitates shared housing for seniors in manufactured home communities by allowing tenants aged 55 or older to have at least one roommate.
- Prohibits rental agreements from containing clauses that prevent seniors from having roommates, including those involved in homesharing arrangements with exchanges of services or financial considerations.
- Requires landlords to provide written notice to tenants aged 55 or older about their right to have a roommate, ensuring compliance with any community age restrictions.

Sponsor: *Representative Eslick, Walen, Jacobsen, Ryu, Leavitt, Macri, Obras, Doglio, Gregerson, Peterson, Paul, Wylie, Kloba, Duerr, Nance, Timmons, Bernbaum*
Status: **DEAD** – House Rules Committee

13. HB 1542 – Senior Independent Housing – CONCERNS

- Establishes minimum resident rights for individuals aged 55 or older living in senior independent housing, including protections against discrimination, the ability to install safety devices, and the right to organize resident meetings.
- Declares violations of resident rights as unfair or deceptive acts under the Consumer Protection Act, subject to enforcement.
- Requires the Department of Commerce to submit a legislative report by July 1, 2026, with data and policy recommendations on senior independent housing.
- Codifies the bill's provisions as a new chapter in Title 70 RCW.

HB Amendment in House Housing

- Removes the section of the bill requiring the Department of Commerce to submit a senior independent housing report to the Legislature.

Sponsor: *Representatives Reeves, Peterson*
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14. HB 1358/SB 5298 – Mobile Home Community Sale – CONCERNS

- Requires owners of manufactured/mobile home communities to provide written notice of an opportunity to compete to purchase the community before marketing it for sale or considering an offer.
- Mandates that notices be sent to tenants, qualified tenant organizations, the Department of Commerce, local governments, housing authorities, and the Washington State Housing Finance Commission.
- Establishes a 70-day period for tenants to form or identify a qualified tenant organization and express interest in purchasing the community.
- Requires owners to act in good faith and provide tenants with access to information typically available to commercial buyers.
- Allows tenants or eligible organizations to seek injunctive relief and damages if the owner fails to comply with the requirements.

Amended in Senate Housing:

- Corrects the language to allow for the notice of opportunity to compete to purchase to be sent electronically to the governmental entities, instead of the notice of sale which has been eliminated in section 1 of the act.

Amendment in House Housing Committee

- Removes the requirement that the notice of opportunity to compete to purchase delivered to the Department of Commerce must include a list of current tenants with contact information.

Sponsor: *Representatives Gregerson, Hill, Parshley, Obras, Simmons, Tharinger, Morgan, Nance, Davis, Peterson, Pollet, Stearns, Ramel, Macri, Ormsby; Senators Frame, Bateman, Conway, Hasegawa, Nobles, Stanford, Trudeau, Valdez, Wilson, C.*

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

Status SB: Passed the House | 98 – 0 | Back to Senate for Concurrence on Amendments

15. HB 1097 – Governmental Services Beyond UGA – SUPPORT

- Allows for the extension or expansion of urban governmental services into rural areas in four circumstances involving systems of sewerage.

Sponsor: *Representative Low, Ryu, Jacobsen, Tharinger, Bernbaum*

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

16. HB 2027 – REET + Residential RETT Tax – OPPOSE

- Leaves in place all graduated REET Taxes, currently up to 3%.
- Imposes a new (additional) tiered real estate transfer tax on **residential** property sales exceeding $3 million, with rates ranging from **1% to 3% more**, effective January 1, 2027. The tax is adjusted for inflation every four years.
- Allocates revenue from the new tax to four accounts: 40% to the Developmental Disabilities Housing and Services Account, 40% to the Affordable Housing for All Account, 10% to the Housing Stability Account, and 10% to the Washington Housing Trust Fund.

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- Authorizes counties, beginning July 1, 2025, to replace existing real estate excise tax (REET) rates with a new tiered structure, with revenues designated for affordable housing, capital projects, and housing-related assistance.
- Creates the Developmental Disabilities Housing and Services Account and the Housing Stability Account to support housing projects, subsidies, and services for low-income and vulnerable populations.
- Updates REET thresholds and mandates inflation adjustments every four years.

Sponsor: *Representative Berg, Macri, Kloba, Parshley, Gregerson, Pollet, Scott*
Status HB: House Finance Committee |NTIB

17. HB 1164 – Urban Growth Area Boundaries – SUPPORT

- Requires cities and counties planning under the Growth Management Act to expand their urban growth area boundaries to include specified types of parcels, subject to exclusions.

Sponsor: *Representative Connors, Leavitt, Low, Jacobsen, Couture, Barkis, Barnard*
Status HB: **DEAD –** House Local Government Committee

18. SB 5382 – Ballot Measure Petitions – Petition Signature Verification – OPPOSE

- Requires petition signature gatherers to sign a declaration on each petition sheet affirming the accuracy and eligibility of signatures and prohibiting compensation or gratuities for signing.
- Modifies existing petition declarations to clarify penalties for false declarations and include affirmations regarding petition review and gratuity prohibitions.
- Mandates address verification for petition signatures, requiring consistency with voter registration records, while allowing minor discrepancies without invalidation.
- Adds spaces on petition forms for gatherers to provide their signature, date, address, and county of residence.

This legislation is **dubbed the "initiative killer**"—will make it **nearly impossible for citizens** to **pass ballot initiatives** and will do the following:

- Shortens the signature collection window
- Forces every signature gatherer to register with the state
- Gives bureaucrats more power to throw out petitions
- Puts petition circulators at legal risk

Sponsors: *Senators Valdez, Liias, Nobles, Saldaña, Wilson, C.*
STATUS: **DEAD –** Senate Ways & Means Committee

19. HB 1206/SB 5679 – Multifamily Tax Exemption Expansion – SUPPORT

- Expands eligibility for the multifamily tax exemption program to all counties required or choosing to plan under the Growth Management Act (RCW 36.70A.040).
- Broadens the definition of "county" by removing the previous population threshold of 170,000 for unincorporated areas.

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- Simplifies criteria for designating residential targeted areas, eliminating previous restrictions tied to sewer systems, higher education campuses, and proximity to bus corridors with frequent service.
- Retains requirements for counties to evaluate potential displacement risks and adopt standards for processing tax exemption applications.

Sponsor: *Representative Low, Leavitt, Jacobsen; Senators Dozier, Braun, Gildon, Wilson, J.*
Status HB: **DEAD –** House Finance Committee
Status SB: **DEAD –** Senate Housing Committee

20. HB 1096 – Lot Splitting – SUPPORT

- Facilitates the creation of new residential lots by simplifying the lot splitting process in cities subject to Growth Management Act density requirements.
- Establishes an administrative process that integrates lot splitting with residential building permit reviews, requiring only an administrative decision without a predecision public hearing.
- Includes conditions for approval, such as compliance with minimum lot size requirements, preservation of existing rent-restricted or subsidized housing, and the issuance of sewer and water availability certificates.
- Prevents cities from imposing dwelling unit limits on split lots that are more restrictive than the underlying zoning allows.
- Denies applications for lot splits if critical areas or their buffers render the lot undevelopable.

House Floor Striker

- Requires cities subject to middle housing minimum density requirements to establish a process for review and approval of an administrative lot split, which may be combined with concurrent review of a building permit for new single-family or middle housing, rather than requiring a process for simultaneous review and approval of a lot split and building permit.
- Removes the requirement that an applicant for a lot split recommend a displacement mitigation strategy if the lot split would require demolition or alteration of any existing housing that would displace a renter.
- Clarifies that a lot split survey must be recorded with the county assessor with a notation that future lot splits are not allowed on the lot.
- Specifies that the existing exemption from the middle housing minimum density requirements for a lot that was created through the splitting of a single residential lot applies only to a lot that was split under the new process established in the bill.

Sponsor: *Representatives Barkis, Ryu, Connors, Leavitt, Klicker, Reed, Fitzgibbon, Richards, Couture, Macri, Callan, Doglio, Bronoske, Tharinger, Wylie, Duerr, Timmons, Ormsby, Fosse, Stonier, Bernbaum, Hill*
Status: Senate Floor

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21. HB 1160 – Streamlining Local Gov Design Review – SUPPORT

- Modifies the definition of "public meeting" by removing design review processes from the list of examples, streamlining the design review process for housing developments.
- Limits local governments to requiring only one architectural drawing for housing development permit applications and mandates that design review be administrative unless otherwise required by law or involving landmarks or historic districts.
- Aligns the design review process for middle housing with that of detached single-family residences, removing administrative design review requirements for middle housing.
- Prohibits off-street parking requirements for middle housing within one-half mile of major transit stops and limits parking requirements based on lot size.

Sponsor: *Representatives Walen, Ramel, Leavitt, Duerr*
Status: **DEAD** – House Floor

22. HB 1303/SB 5380 – Environmental Justice Integration – OPPOSE

- Mandates the Department of Ecology to integrate environmental justice into decision-making processes for projects, particularly in pollution burdened communities.
- Requires lead agencies to prepare environmental justice impact statements for certain new projects, expansions, or permit renewals starting January 1, 2027.
- Establishes public participation requirements, including hearings in affected communities and online publication of impact statements with opportunities for public comment.
- Prohibits lead agencies from considering economic benefits when deciding on project approvals and focuses on mitigating disproportionate impacts on vulnerable populations.
- Exempts specific projects, such as clean energy initiatives and national security facilities, from the bill's requirements.

Sponsor: *Representatives Mena, Berry, Reeves, Reed, Ormsby, Salahuddin, Ramel, Pollet, Nance, Doglio, Scott; Senators : Lovelett, Trudeau, Hasegawa, Nobles, Saldaña, Stanford, Valdez*
Status HB: **DEAD** – House Rules Committee
Status SB: **DEAD** – Senate Environment, Energy & Technology Committee

23. HB 1235/SB 5148 – Housing Accountability Act – SUPPORT

- Mandates that counties and cities submit their housing elements and related development regulations to the Department of Commerce for review to ensure compliance with the Growth Management Act (GMA).
- Requires that housing elements and development regulations do not take effect until the Department of Commerce confirms compliance.

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- Establishes a process for the Department of Commerce to issue a compliance determination and maintain a public list of compliance status for each city or county.
- Provides an appeals process for the Department's final decisions to the Growth Management Hearings Board.
- Prohibits cities and counties from denying or imposing adverse conditions on affordable or moderate-income housing developments unless certain conditions are met.

Senate Floor Striker

- Requires cities and counties that do not voluntarily submit their housing element to the Department of Commerce to submit their housing element and housing development regulations no later than three years after enacting a new comprehensive land use plan or updating an existing land use plan.
- Extends review period and adds additional reviews for housing elements deemed to be not in compliance with required elements.
- Removes the targeted review process and related thresholds.
- Adds voluntarily submittal of housing elements and housing development regulations to the list of prioritization factors for projects funded by the Public Works Board

Amendments in House Appropriations Committee

- Authorizes the Department of Commerce (Commerce) to conduct up to a maximum of 60 housing element and housing development regulation compliance reviews per year and requires Commerce to establish a process for prioritizing submissions for review. Requires Commerce to give top priority to voluntary submissions for review. Specifies that submissions for review under the targeted review process (which applies if a local jurisdiction does not participate in the voluntary review process) must be prioritized after any voluntary submissions for review based on factors such as a jurisdiction's size, growth rate, and progress towards accommodating its growth allocation.
- A null and void clause is added, making the bill null and void unless funded in the budget.
- Lengthens from 60 days to 120 days the time period in which a fully planning city or county must amend its housing element and housing development regulations if the element or regulations are found by the Department of Commerce to be noncompliant as part of a voluntary review.

Sponsor: *Representatives Peterson, Berry, Ramel, Alvarado, Macri, Cortes, Ryu, Doglio, Simmons, Street, Duerr, Nance, Lekanoff; Senators Bateman, Liias, Nobles, Stanford*

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

Status SB: House Floor

24. HB 2024/SB 5770 – Primary Residence Tax Exemption – OPPOSE

- Establishes a property tax exemption for primary residences under the state levy, effective for taxes levied for collection in 2028.

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- Exempts the greater of $100,000 of assessed value or 60% of the county median residential assessed value, with adjustments to ensure compliance with the statutory maximum state levy.
- Requires homeowners to apply annually, with eligibility limited to properties occupied as a primary residence for at least 184 days per year.
- Provides administrative oversight by the Department of Revenue (DOR), which will verify eligibility, publish county median values, and conduct audits.
- Creates a dedicated account to reimburse counties for administrative costs, with $5 per processed application distributed annually.
- Contingent on voter approval of a constitutional amendment authorizing the exemption; otherwise, the bill is void. Bans nondisclosure agreements related to lease terms, such as rent amounts, fees, or concessions.

Sponsor: *Senators Robinson, Cleveland, Conway, Cortes, Dhingra, Frame, Hasegawa, Kauffman, Krishnadasan, Liias, Nobles, Pedersen, Riccelli, Saldaña, Slatter, Stanford, Trudeau, Valdez, Wilson, C.*
Status HB: House Finance Committee | NTIB
Status SB: Senate Rules Committee | NTIB

25. SB 5313 – Prohibited Rental Agreement Provisions – CONCERNS

- Prohibits rental agreements from including provisions that waive tenants' rights to bring or participate in legal actions, including class actions, against landlords.
- Bans nondisclosure agreements related to lease terms, such as rent amounts, fees, or concessions.
- Prevents agreements that impose late fees for rent paid within five days of the due date or require electronic-only payment methods.
- Prohibits mandatory use and payment for nonessential services, allowing tenants to opt out without penalty.
- Requires landlords to bear the cost of arbitration agreements and prohibits designating specific arbitrators at the time of lease signing.

Floor Amendments

- Alters the definition of nonessential services by requiring an equivalent service to be available at no cost for the tenant to opt out of the service, but does not include the landlord's requirement to keep the premises fit for human habitation, or utilities include insurance and internet that are required by the lease agreement to be paid by the tenant.
- Authorizes landlords to automatically enroll tenant in such services at a cost disclosed within the lease agreement.
- Requires upon a tenant's failure to timely perform such services that are required to be performed by the tenant pursuant to the terms of the lease and the tenant shall remain responsible for reimbursing the landlord for these costs. The landlord may apply such charges as additional rent.

Amendment in House Housing Committee

- Modifies the prohibition on rental agreement provisions that require a tenant to use and pay for nonessential services by:

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- Removing insurance and internet from the list of things excluded from the definition of "nonessential services," such that the term is defined as third-party services offered by the landlord to the tenant at the tenant's cost where a viable alternative is available at no cost, but does not include anything that the Residential Landlord-Tenant Act requires a landlord to provide or utilities that the lease agreement requires the tenant to pay; and
- Removing language stating that:
  (a) Nothing in the prohibition prevents a landlord from automatically enrolling tenants in nonessential services upon a tenant's failure to timely perform a nonessential service that the lease requires the tenant to perform;
  (b) The tenant remains responsible for reimbursing the landlord for these costs; and
  (c) The landlord may apply such charges as additional rent.

- Expands the list of prohibited rental agreement provisions under the Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) to include the following:
  1. Waivers of any right to bring, join, or otherwise participate in or maintain any cause of action against the tenant's landlord or the landlord's representatives or agents, including but not limited to class actions;
  2. Nondisclosure agreements related to the lease agreement or details of the offer, including rent amount, security deposits or fees, rent concessions, move-in gifts, or lease specials or terms;
  3. Attorneys' fees clauses requiring the tenant to pay the landlord's attorneys' fees, except as authorized by the MHLTA and awarded by a court pursuant to a judgment;
  4. Arbitration clauses that require a tenant and landlord to arbitrate disputes, unless the landlord pays the entire cost of the arbitration and the agreement is notarized; and
  5. Clauses that require a tenant to use and pay for nonessential services; nothing prohibits a landlord from offering nonessential services, but tenants must be allowed to opt out of such services without a fee if they choose not to participate. For these purposes, "nonessential services" is defined as a third-party service offered by the landlord to the tenant at the tenant's cost where a viable alternative is available at no cost, but does not include a duty required to be provided by a landlord under the MHLTA or utilities that are required by the lease agreement to be paid by the tenant.

Sponsor: *Senators Pedersen, Goehner, Cleveland, Hasegawa, Nobles, Valdez*
Status: House Rules Committee

26. HB 1165 – Property Tax Exemptions – SUPPORT

- Expands eligibility for property tax exemptions for seniors, disabled retirees, and disabled veterans by raising income thresholds tied to county median household income.
- Adjusts income thresholds in phases, starting with taxes levied for collection in 2024, and increasing thresholds further for taxes levied in 2027 and beyond.

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- Establishes three income thresholds (50%, 60%, and 70% of county median household income for 2024–2026; increasing to 55%, 65%, and 75% in 2027 and thereafter) to determine eligibility for exemptions.
- Implements periodic adjustments to income thresholds every three years starting August 1, 2023.

Sponsor: *Representatives Shavers, Wylie, Ryu, Callan, Goodman*
Status: House Finance Committee | NTIB

27. HB 1099/SB 5731 – Tenant Assistance Program – SUPPORT

- Establishes a tenant assistance program to provide financial relief to rent-burdened households in Washington State.
- Administered by the Department of Commerce, the program aims to assist renters with household incomes at or below 80% of the median income for their county.
- Provides financial assistance to eligible renters through public housing authorities, capping assistance at $400 or the amount needed to reduce housing costs to 30% of the renter's income.
- Prioritizes renters with incomes at or below 60% of the median income or those receiving supplemental security income.
- Requires annual reporting by the Department of Commerce on the program's impact and a review by December 1, 2031, to assess its efficacy and recommend continuation or amendments.

Sponsor: *Representatives Low, Connors, Barkis, Klicker, Barnard, Tharinger; Senators Goehner, Fortunato, Holy; Senators Braun, Chapman*
Status HB: **DEAD –** House Housing Committee
Status SB: **DEAD –** Senate Housing Committee

28. HB 1089/SB 5740 – Tenant Safey Act – SUPPORT

- Currently, families are being forced to live next door to abusive and sometimes dangerous tenants while waiting for an eviction to be carried out. This is true regardless of behavior.
    1. Streamlines the process to evict residents engaged in dangerous activity.
    2. Protects tenants who report dangerous or illegal activity.
    3. Creates an expedited process for dangerous or unruly tenants.
    4. Collaborates with law enforcement for swift removal of dangerous residents.
    5. Prevents manipulation or intentional delays of the system.

Sponsor: *Representative Barkis, Connors, Low, Jacobsen, Klicker*
Status HB: **DEAD –** House Housing Committee
Status SB: **DEAD –** Senate Housing Committee

29. HB 1088/SB 5678 – Residential Landlord-Tenant – SUPPORT

- Washington state needs a consistent set of rules for all cities across the state. This will alleviate confusion, create confidence and compliance, and foster a more harmonized rental housing market landscape for both tenants and housing providers.

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1. Benefits to tenants and housing providers by furnishing certainty and consistency regarding their lease obligations.
2. A task force would examine every aspect of the Residential Landlord Tenant Act that has been in place since 1973.

Sponsor: *Representative Barkis, Walen, Connors, Low, Jacobsen, Caldier; Senators Dozier, Braun, Wilson, J.*
Status HB: **DEAD –** House Housing Committee
Status SB: **DEAD –** Senate Housing Committee

30. SB 5661 – Landlord-Tenant Preemption – SUPPORT

- Establishes statewide preemption over local landlord-tenant regulations to ensure uniformity in housing laws across Washington State.
- Prohibits cities, towns, and counties from enacting or enforcing ordinances that regulate landlord-tenant agreements under the Residential Landlord-Tenant Act (RLTA) and the Manufactured/Mobile Home Landlord-Tenant Act.
- Allows local governments to regulate rent or landlord-tenant agreements only for properties under public ownership, public management, or low-income housing agreements.
- Cites legislative findings that local regulations create confusion, discourage investment, and reduce the supply of rental housing.

Sponsor: *Senator Goehner, Gildon, Chapman*
Status: **DEAD –** Senate Housing Committee

31. HB 1342 – Unlawful Detainer Notices – SUPPORT

- Eliminates the requirement for personal delivery when serving unlawful detainer notices, simplifying the process for landlords.
- Allows service by affixing a copy of the notice in a conspicuous place on the premises and sending a copy through the mail to the recipient's residence or the premises' address if the residence is unknown.
- Retains provisions for subtenants and corporations, with adjustments to align with the removal of personal delivery requirements.
- Maintains the requirement for proof of service to be made by affidavit and clarifies that service by mail is deemed complete upon mailing, with an additional day required before commencing action.

Sponsor: *Representative Connors, Barkis*
Status HB: **DEAD –** House Housing Committee

32. SB 5028 – Unlawful Camping – SUPPORT

- Prohibits camping on public property unless explicitly authorized, with specific restrictions near shelters, parks, schools, and child care facilities.
- Establishes penalties ranging from civil infractions for initial violations to misdemeanors for repeated offenses, with a focus on therapeutic court referrals where applicable.

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- Requires law enforcement to confirm the availability of 24/7 low-barrier shelter space before issuing criminal citations to homeless individuals.
- Prohibits criminal penalties for individuals if no shelter space is available, emphasizing a balance between enforcement and shelter accessibility.

Sponsor: *Senators Wagoner, Christian, McCune*
Status SB: **DEAD –** Senate Law & Justice Committee

33. HB 1255 – Encampment Removal – SUPPORT

- Requires local governments to adopt ordinances prohibiting camping on public property within 500 feet of sensitive areas, such as schools, parks, and water contamination zones, by May 1, 2027.
- Ties eligibility for the encampment cleanup grant program to local governments' compliance with these ordinances.
- Establishes an encampment cleanup account with a minimum annual transfer of $100 million from the legislature to fund the grant program.
- Mandates local governments to report annually on enforcement and quarterly on homelessness-related performance metrics, with penalties for non-compliance.
- Directs the Department of Commerce to maintain an online data dashboard by January 1, 2026, to track metrics related to homeless encampments and grant expenditures.

Sponsor: *Representative Jacobsen, Couture, McClintock, Keaton, Ley, Barnard, Caldier*
Status HB: **DEAD –** House Local Government Committee

34. SB 5798 – Property Tax Increases – OPPOSE

- **Increased Property Tax Burden on Homeowners**: The proposed adjustment to the property tax revenue growth limit— allowing increases based on population change and inflation up to 3% instead of a flat 1% —would lead to significantly higher property taxes. This will place a growing financial burden on working families, renters (through pass-through costs), and small businesses already facing economic pressures.
- **Enhancing Senior Citizen Property Tax Relief:** SB 5798 introduces further property tax reductions under the senior citizen property tax relief program. Notably, it exempts qualifying individuals from 100% of the assessed value for state property taxes imposed under RCW 84.52.065(1). This measure is designed to provide financial relief to senior citizens by reducing their property tax obligations.
- **Unbalanced Relief for Specific Demographics**: While the bill enhances tax exemptions for senior citizens, it does not address broader affordability concerns for low- and middle-income homeowners and renters who are also struggling with rising housing costs. This targeted relief could create disparities and fail to provide comprehensive tax fairness.
- **Reduced Local Government Accountability**: By allowing automatic increases in property tax collections without requiring voter approval, the bill potentially

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weakens taxpayer oversight. This change could reduce transparency and make it easier for local governments to expand budgets without sufficient public input.
- **Minimal Impact on Education Funding Equity**: Although the bill re-labels parts of the state property tax to show how they fund education, it does not fundamentally reform the inequitable school funding structure. Simply renaming components does little to ensure that property tax revenues are distributed fairly across districts.

Sponsor: *Senators Pedersen, Riccelli, Alvarado, Bateman, Frame, Nobles, Valdez, Wellman*
Status SB: Senate Ways & Means Committee | NTIB

35. SB 5797 – Intangible Assets Tax – OPPOSE

- **Discourages Investment:** A 1% tax on intangible assets over $50 million penalizes long-term investment and wealth-building.
- **Drives Capital & Residents Away:** High-net-worth individuals may leave the state, shrinking the tax base and harming Washington's economic competitiveness.
- **Unstable Revenue Source:** Reliance on volatile financial markets makes funding for education unpredictable.
- **Double Taxation Risk:** Financial assets are already taxed elsewhere—this creates potential overlap and unfair burden.
- **Complex & Costly Compliance:** Annual reporting of global assets adds administrative strain for both taxpayers and the state.
- **Legal & Constitutional Risks:** Taxing worldwide assets may violate interstate commerce protections and invite lawsuits.

Sponsor: *Senators Frame, Dhingra, Alvarado, Bateman, Hasegawa, Lovelett, Nobles, Pedersen, Ramos, Riccelli, Stanford, Trudeau, Valdez, Wellman, Wilson, C.*
Status SB: Senate Ways & Means Committee | NTIB

36. SB 5797 – Intangible Assets Tax – OPPOSE

- **Discourages Investment:** A 1% tax on intangible assets over $50 million penalizes long-term investment and wealth-building.
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- **Unstable Revenue Source:** Reliance on volatile financial markets makes funding for education unpredictable.
- **Double Taxation Risk:** Financial assets are already taxed elsewhere—this creates potential overlap and unfair burden.
- **Complex & Costly Compliance:** Annual reporting of global assets adds administrative strain for both taxpayers and the state.
- **Legal & Constitutional Risks:** Taxing worldwide assets may violate interstate commerce protections and invite lawsuits.

Sponsor: *Senators Frame, Dhingra, Alvarado, Bateman, Hasegawa, Lovelett, Nobles, Pedersen, Ramos, Riccelli, Stanford, Trudeau, Valdez, Wellman, Wilson, C.*
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37. SB 5796 – Payroll Expense Tax on Large Employers – OPPOSE

- **Punishes Job Creation:** Imposes a 5% payroll tax on wages above the Social Security wage base, disincentivizing companies from hiring high-wage talent in Washington.
- **Targets Employers, Not Just "Big Business":** While framed as a tax on large corporations, many mid-sized employers with growing payrolls could be swept in, especially in high-cost industries like healthcare and tech.
- **Unfair to High-Wage Workers:** Though employers pay the tax, the burden could be indirectly passed on through reduced wages, fewer benefits, or limited hiring.
- **Discourages Economic Growth:** Adds another layer of cost for businesses operating in Washington, potentially driving jobs and investment out of the state.
- **Redundant with Local Taxes:** Even with a credit for city-level payroll taxes, this bill duplicates Seattle's existing tax structure, complicating compliance for employers in overlapping jurisdictions.
- **General Fund Allocation Lacks Transparency:** Funds go to the general fund with broad intent, offering no guarantee that revenue will be used efficiently or reach the intended services.

Sponsor: *Senators Saldaña, Robinson, Alvarado, Bateman, Frame, Hasegawa, Lovelett, Nobles, Pedersen, Ramos, Trudeau*
Status SB: Senate Ways & Means Committee | NTIB

38. SB 5795 – State Sales and Use Tax Reduction

- **Sales Tax Rate Reduction:** Lowers the state sales and use tax rate from **6.5% to 6.0%**, effective **January 1, 2026**.
- **Applies to Retail Sales and Use Tax:** Affects most transactions subject to state sales and use tax under chapters **82.08** and **82.12** RCW.
- **Intended Policy Goal:** Aims to reduce the overall tax burden on Washington residents, particularly addressing concerns about the state's reliance on regressive taxes.
- **No Changes to Local Sales Tax Rates:** Local sales and use tax rates remain unchanged; the bill applies only to the **state portion** of the tax.
- **Fiscal Implications:** Would reduce general fund revenue beginning in FY 2026; the exact fiscal impact would depend on consumer behavior and overall taxable sales volume.

Sponsor: *Senators Krishnadasan, Cortes, Alvarado, Bateman, Dhingra, Frame, Hasegawa, Lovelett, Nobles, Orwall, Pedersen, Ramos, Riccelli, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman, Wilson, C.*
Status SB: Senate Ways & Means Committee | NTIB

39. SB 5794 – Repeal of Tax Exemption Preferences – OPPOSE

SB 5794 removes incentives that support economic development, environmental sustainability, and public benefit programs—while offering no targeted replacements.

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Opponents argue it's a broad repeal that sacrifices strategic tax policy for short-term revenue. Key concerns include:

- **Economic Disruption Across Industries:** The bill repeals exemptions that support renewable energy, data centers, aerospace, tech, manufacturing, and small businesses—risking job losses, reduced investment, and higher operational costs.
- **Harms Innovation and Clean Energy:** Repealing tax preferences for solar energy systems, renewable utilities, and alternative fuel vehicles undermines the state's climate and innovation goals.
- **Discourages Job Creation:** Elimination of B&O tax credits for hiring unemployed individuals and small business tax relief removes incentives to expand employment or start new ventures.
- **Threatens Rural and Underserved Areas:** Rural electric cooperatives and infrastructure-related exemptions are being cut, which could disproportionately impact smaller or underserved communities.
- **Increased Costs for Consumers and Businesses:** Ending exemptions for ride-share vehicles, data center infrastructure, public facilities districts, and nonprofits may result in increased prices or reduced services.

Exemptions/Preferences Repealed by SB 5794 Include:

- Solar and renewable energy system exemptions (RCW 82.04.4496, 82.16.0496, 82.16.0497)
- Data center sales/use tax exemptions (RCW 82.08.809, 82.12.809)
- International investment services exemption (RCW 82.04.062)
- B&O tax credit for small businesses (RCW 82.04.44525)
- Ride-share vehicle exemptions (RCW 82.08.02566, 82.12.02566)
- Industry-specific B&O exemptions (e.g., aerospace, aluminum, timber: RCW 82.04.272, 82.04.4292, etc.)
- Rural electric utility preferences (RCW 82.16.046)
- Alternative fuel vehicle exemptions (RCW 82.08.02568, 82.12.02568)
- Tax credit for hiring unemployed persons (RCW 82.04.4482)
- Tech, R&D, and clean energy sector credits (RCW 82.04.4331, 82.04.447, etc.)
- Exemptions for nonprofits, stadiums, tribal properties, and transit agencies

Sponsor: *Senators Salomon, Lovelett, Alvarado, Bateman, Dhingra, Frame, Hasegawa, Nobles, Ramos, Riccelli, Trudeau, Wellman*

Status SB: Senate Ways & Means Committee | NTIB



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