



## WA Landlord Association

### 2025 Legislative Priorities

#### 2025 END OF SESSION LEGISLATIVE REPORT

MAY 2025

The **last day** of the **105-day Legislative Session** was on **Sunday, April 27, 2025**. The **Governor** has **20 days to take action** (sign bills into law, veto or veto a portion) on bills that passed the legislative session.

All bills that did not pass in the 2025 Legislative Session will automatically be alive again in the 2026 Legislative Session which begins on **Monday, January 12, 2026**.

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

#### RHA 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**
- 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. ~~HB 2038/SB 5799~~ – Youth Behavioral Health Programs – **OPPOSE**
- 35. ~~SB 5798~~ – Property Tax Increases – **OPPOSE**
- 36. ~~SB 5797~~ – Intangible Assets Tax – **OPPOSE**
- 37. ~~SB 5796~~ – Payroll Expense Tax on Large Employers – **OPPOSE**
- 38. ~~SB 5795~~ – State Sales and Use Tax Reduction – **NEUTRAL**
- 39. ~~SB 5794~~ – Repeal of Tax Exemption Preferences – **OPPOSE**
- 40. ~~HB 2084~~ – Tax Preference Repeal – Unconstitutional Tax on Rent – **OPPOSE**
- 41. ~~HB 2049/SB 5812~~ – Major Property Tax Increase – **OPPOSE**
- 42. ~~HB 2082/SB 5813~~ – Estate Tax Increase & Expansion – **OPPOSE**
- 43. ~~HB 2083/SB 5814~~ – Tax Code Expansions
- 44. ~~HB 2081/SB 5815~~ – Business & Occupation (B&O) Tax Hike – **OPPOSE**

\*NTIB Bills (Necessary to Implement the Budget)

## RHA Bill Tracking Detail

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

House Bill 1217 is primarily concerned with improving housing stability for tenants by:

- Limiting rent and fee increases
- Requiring proper notice for such increases
- Limiting fees and deposits
- Creating landlord resources and tenant protections
- Establishing enforcement mechanisms

The bill amends both the Residential Landlord-Tenant Act and the Manufactured/Mobile Home Landlord-Tenant Act, creating parallel protections for both types of housing.

### Part I: Residential Landlord-Tenant Act Changes

#### Rent Increase Limitations (Section 101)

This new section adds the following restrictions:

- Prohibits rent increases during the first 12 months of tenancy
- Caps annual rent increases at 7% plus the consumer price index (CPI) or 10%, whichever is lower
- Requires the Department of Commerce to calculate and publish the maximum annual percentage each year beginning June 1, 2025

- Allows tenants to terminate their lease with 20 days' notice if a landlord increases rent above the allowed amount
- Creates "parity between lease types," preventing landlords from charging more than 5% difference in rent for month-to-month versus fixed-term leases for the same unit

### **Exemptions from Rent Control (Section 102)**

This new section creates several exemptions from the rent increase limits:

- Newly constructed units (first certificate of occupancy issued within the last 12 years)
- Units owned by public housing authorities, public development authorities, or certain nonprofit organizations
- Qualified low-income housing developments
- Owner-occupied properties where tenant shares kitchen/bathroom with owner
- Single-family owner-occupied residences with no more than two rental units/bedrooms
- Owner-occupied units in duplexes, triplexes, or fourplexes

These exemptions mostly don't apply if the owner is a real estate investment trust, corporation, or LLC with at least one corporate member.

### **Rent Increase Notice Requirements (Section 103)**

This new section:

- Creates a standardized rent increase notice form landlords must use
- Requires detailed information about the increase percentage, dollar amount, and any claimed exemptions
- Exempts subsidized tenancies where rent is based on tenant income from using this form

### **Extension of Rent Increase Notice Period (Section 104)**

This section amends existing law to:

- Extend the required notice period for rent increases from 60 days to 90 days
- Maintain the 30-day notice period for subsidized housing where rent is based on tenant income
- Create a transition provision for leases with 60-90 days remaining at the time of the bill's passage

### **Landlord Resource Center (Section 105)**

This new section directs the Department of Commerce to create an online resource center for landlords, including information about:

- The landlord mitigation program
- Low-income residential weatherization programs
- Other relevant programs and resources

## **Part II: Manufactured/Mobile Home Landlord-Tenant Act Changes**

### **Rent Increase Limitations for Mobile Home Lots (Section 201)**

Creates similar rent control provisions as Section 101, but with some key differences:

- Limits annual rent increases to 5% (lower than the residential provision)
- Allows lease termination with 30 days' notice if a landlord increases rent above the allowed amount

### **Exemptions for Mobile Home Parks (Section 202)**

Creates a more limited set of exemptions than for residential rentals:

- Lots owned by public housing authorities, public development authorities, or certain nonprofit organizations
- Qualified low-income housing developments
- During the first 12 months after sale to an eligible organization, allows higher increases if approved by majority of home owners
- One-time rent increase at time of rental agreement transfer when mobile home is sold

### **Rent Increase Notice Requirements (Section 203)**

Similar to Section 103, creates a standardized notice form for mobile home lot rent increases.

### **Limits on Move-in Fees and Security Deposits (Section 204)**

Amends existing law to:

- Cap move-in fees and security deposits at one month's rent (two months if tenant has pets)
- Remove previous provisions allowing higher security deposits with interest
- Only apply to new leases, not renewals of existing leases

### **Restriction on Late Fees (Section 205)**

Amends existing law to:

- Prohibit late fees for rent paid within five days of due date
- Limit late fees to 2% of monthly rent for first month late
- Limit late fees to 3% for second consecutive month late
- Limit late fees to 5% for third and subsequent consecutive months late

### **Definition of "Rent" (Section 206)**

Adds a definition of "rent" or "rental amount" as:

- Recurring and periodic charges for use and occupancy of the manufactured/mobile home lot
- May include utility charges
- Excludes non-recurring charges for late payments, damages, deposits, legal costs, or fees

### **Enforcement Mechanisms**

Both the Residential and Manufactured/Mobile Home sections include identical enforcement provisions:

- Attorney General enforcement authority, including civil investigative demands
- Civil penalties up to \$7,500 per violation
- Tenant right to sue for damages including:
  - Refund of excess rent/fees paid
  - Additional damages up to three months of unlawful charges
  - Attorney's fees and costs
- Prohibition on reporting tenants to screening services for failure to pay unlawful increases

### **Expiration Date and Emergency Clause**

- The rent control provisions are set to expire on July 1, 2040
- The bill contains an emergency clause making it effective immediately
- The bill includes a null and void clause if funding isn't provided by June 30, 2025

This legislation represents a significant change to Washington's landlord-tenant laws by implementing statewide rent control with specific caps, notice requirements, and enforcement mechanisms, while carving out various exemptions for certain types of properties and ownership structures.

**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:** [Governor Signed](#) | [Effective Date May 7, 2025](#)

**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.

### **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.
- **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:**     **DEAD** – House Finance Committee | NTIB

**Status SB:**     **DEAD** – 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.
- 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:**           **DEAD** – 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*

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

**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.
- 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:** [Delivered to the Governor](#)

#### **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.
- 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:** [Governor signed](#) | [Effective date 10/15/2025](#)

#### **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*

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

### 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:** [Governor Signed](#) || [Effective Date: July 27, 2025](#)

**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.
- 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:** **DEAD** – 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, Lias, 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.
- 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.

#### **Senate Floor Amendment**

- Applies lot splitting provisions to all cities, not just cities subject to minimum residential density requirements.
- Specifies that applications be reviewed, approved, or denied based on applicable, clear and objective development standards.
- Clarifies that cities may not require any design review other than an administrative design review in the administrative lot split process.
- Requires that an application process for a residential lot split be subject to statutory permit timelines unless extended pursuant to project-specific mutual agreement.
- Requires that parent lots and newly created lots approved under the bill have a lot split survey with a notation that future lot splits are not allowed to be recorded with the county auditor, as opposed to recorded with the county assessor.
- Stipulates that provisions relating to lot-splitting regulations do not apply to areas designated as sole-source aquifers by the EPA on island in the Puget Sound.

**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 HB:** [Delivered to the Governor](#)

#### **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.
- 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.

#### **House Floor Amendments**

Modifies the underlying bill as follows:

- Removes mandatory compliance review provisions requiring fully planning cities and counties that have not already voluntarily done so to submit their housing element and housing development regulations to the Department of Commerce (Commerce) for review no later than three years after enacting a new comprehensive land use plan or updating an existing plan;
- Adds targeted compliance review provisions authorizing Commerce to select up to 10 fully planning cities or counties per calendar year for review based on certain criteria;
- Shortens from 120 days to 90 days the time period in which Commerce must review submissions for compliance;
- Removes voluntary submittal of housing elements and housing development regulations from the list of prioritization factors for projects funded by the Public Works Board; and
- Clarifies when housing elements and housing development regulations subject to review by Commerce take effect

**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:** [Governor Signed](#) | [Effective date July, 27, 2025](#)

#### **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.

- 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, Lijas, Nobles, Pedersen, Riccelli, Saldaña, Slatter, Stanford, Trudeau, Valdez, Wilson, C.*

**Status HB:** **DEAD** – House Finance Committee | NTIB

**Status SB:** **DEAD** – 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:

- 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.

#### **House Floor Amendments**

- Revises the list of prohibited rental agreement provisions under the Residential Landlord-Tenant Act by removing the following category added by the underlying bill: Clauses that require a tenant to use and pay for nonessential services.
- Provides that the bill applies to leases or rental agreements entered into or renewed on or after the bill's effective date.

**Sponsor:** *Senators Pedersen, Goehner, Cleveland, Hasegawa, Nobles, Valdez*

**Status:** [Governor Signed](#) | [Effective Date: July 27, 2025](#)

**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.
- 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:** **DEAD** – 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 Safety 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.
  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.
- 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

## Revenue Bills

### 34. [HB 2038/SB 5799](#) – Social Media Tax to Fund Youth Behavioral Health Programs – **OPPOSE**

- Imposes a new business and occupation (B&O) tax of 0.4% on gross income for businesses operating social media platforms, effective January 1, 2026.
- Exempts organizations classified under 26 U.S.C. Sec. 501(c)(3) from the tax.
- Establishes the "youth behavioral health account" in the state treasury to allocate revenue for prenatal through age 25 behavioral health initiatives, including telebehavioral health services and multisystem care coordination.
- Defines "social media platform" and excludes services focused on email, direct messaging, online gaming, business/product reviews, technical support, and academic research.
- Specifies that certain statutory requirements for tax preferences do not apply to this act.

**Sponsor:** *Representatives Callan, Thai, Ryu, Kloba, Parshley, Fosse, Duerr, Lekanoff, Pollet, Scott, Zahn, Stonier, Morgan; Senators Wilson, C.*

**Status HB:** **DEAD** – House Finance Committee | NTIB

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

**35. [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 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:** **DEAD** – Senate Floor | 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.
- **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:** **DEAD** – House Finance Committee | NTIB

### 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:** **DEAD** – 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:**     **DEAD** – Senate Ways & Means Committee | NTIB

### **39. [SB 5794](#) – Repeal of Tax Exemption Preferences – **OPPOSE****

The legislature states that while some tax preferences (like food sales tax exemptions) help rebalance the tax code for working people, many others resulted from private interests securing preferential treatment. The bill implements recommendations from the Joint Legislative Audit and Review Committee, the Citizen Commission for Performance Measurement of Tax Preferences, and the Department of Revenue.

#### **Key Tax Changes**

##### **1. Title Insurance Agent Taxation**

- **Removed:** The bill eliminates title insurance agents from the preferential tax rate that applies to insurance producers, meaning they will no longer qualify for the 0.484% tax rate.

##### **2. Credit Union Taxation**

- **Added:** Starting October 1, 2025, any credit union that merges with or acquires a bank regulated by the Department of Financial Institutions will lose its B&O tax exemption and be subject to a 1.2% tax rate on gross income.
- This provision doesn't apply to transactions with regulatory applications submitted before the effective date.

##### **3. Self-Storage Facility Taxation**

- **Added:** Effective April 1, 2026, income from renting or leasing individual storage spaces at self-service storage facilities will be subject to B&O tax at the standard service business rates (1.75% or 1.5% depending on circumstances).
- **Added:** Clarifies that proceeds from individual storage space rentals or leases for 30 days or longer at self-service storage facilities are not considered "sale of real estate" and thus are not exempt from B&O tax.

##### **4. Repealed Tax Preferences**

The bill completely repeals six tax preferences:

- Exclusion of precious metal and monetized bullion from "sale at wholesale" and "sale at retail" definitions
- Credit for light and power businesses and gas distribution businesses
- Credit for new employment in international service activities in eligible areas
- Deduction for interest on investments or loans secured by mortgages or deeds of trust
- Tax on loan interest
- Credit for public safety standards and testing

##### **5. Technical and Administrative Updates**

- Updates formatting in multiple sections from spelled-out numbers to numerals (e.g., changing "forty-five" to "45")
- Removes an obsolete reference to tax exemption related to foreign depository agencies
- Updates cross-references throughout the code

## Effective Dates

- Most provisions take effect January 1, 2026
- Self-storage facility taxation take effect April 1, 2026
- One section related to newspaper publishing takes effect January 1, 2034
- Another section expires January 1, 2034

## Legislative Findings

The legislature notes that:

- Washington currently has 786 tax exemptions resulting in nearly \$200 billion in taxpayer savings for the current biennium
- Many exemptions are obsolete due to changes in law or simply not used
- More progress is needed to create a fair tax system that provides sustainable funding for public services

The bill represents an effort to evaluate the tax code and remove inefficient or no longer applicable tax exemptions while clarifying legislative intent for future tax preference reviews.

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

**Status SB:** [Delivered to Governor](#)

### 40. [HB 2084](#) – Tax Preference Repeal – Unconstitutional Tax on Rent – **OPPOSE**

- Would impose new B&O taxes on self-storage rentals across Washington.
- Violates the Washington Constitution's uniformity clause for property taxes. The Washington Supreme Court has long held that a tax on rent is a property tax, not an excise tax. This bill attempts to disguise a direct tax on rental income as an excise tax, circumventing constitutional protections.
- This tax sets a dangerous precedent for all real estate. If upheld, HB 2084 could open the door to similar taxes on apartments, commercial properties, warehouses, and even owner-occupied homes, stretching constitutional limits beyond recognition.
- There's no legal or rational basis for singling out self-storage. Taxing storage unit rentals while leaving other rental properties alone violates the state's Privileges and Immunities Clause and the U.S. Constitution's Equal Protection Clause. This isn't just unfair, it's illegal.

**Sponsor:** *Representative Ramel, Scott*

**Status HB:** **Dead** – House Floor | NTIB

### 41. [HB 2049/SB 5812](#) – Major Property Tax Increase - **OPPOSE**

Modifies state and local property tax authority and adjusts school funding formulas for K-12 education in Washington State.

## Key Tax Changes

### Section 1: Amendments to Enrichment Levies

1. **Introduction of "Inflation Enhancement"**
  - A flat \$500 addition in 2026
  - 3.33 percentage points added to inflation annually from 2027 to 2030
2. **Changes to Maximum Per-Pupil Limit**

- Through 2030:
  - Districts with fewer than 40,000 students: \$2,500 per pupil (adjusted for inflation plus inflation enhancements)
  - Districts with 40,000+ students: \$3,000 per pupil (adjusted for inflation plus inflation enhancement)
- Beginning in 2031:
  - Unified rate of \$5,035 per pupil for all districts regardless of size
  - This rate will be adjusted for inflation beginning with taxes levied for collection in 2032

### **3. Removal of COVID-Related Provisions**

- Eliminates all language related to "open for in-person instruction to all students"
- Removes exceptions for using 2019-20 enrollment figures in 2022 and 2023

## **Section 2: Amendments to Local Effort Assistance Funding**

### **1. Change to Inflation Definition**

- Replaces Consumer Price Index with the implicit price deflator as the measure of inflation
- New definition uses the implicit price deflator for the previous calendar year

### **2. Removal of COVID-Related Provisions**

- Removes exceptions for using 2019-20 enrollment figures in 2022 and 2023

## **Section 3: K-12 Funding Equity Work Group**

While not a direct tax change, this new section establishes a work group with potential future tax implications:

### **1. Required Analysis Areas**

- Impact of changes to per-pupil funding and local revenue
- Distribution trends from school funding formula
- Impact of economic disparities on school resources

### **2. Reporting Requirements**

- Must report by November 1, 2025, and annually through 2027 on:
  - Options for funding formula revisions
  - Potential adoption of student weights for funding
  - Modifications to state and local tax authority for schools
- This section expires December 1, 2027

## **Practical Impact Analysis**

### **1. Higher Per-Pupil Funding Caps**

- By 2031, all districts will see a significant increase to \$5,035 per pupil
- This represents a substantial increase from the current \$2,500/\$3,000 split system
- The "inflation enhancement" mechanism accelerates funding increases between 2026-2030

### **2. Change in Inflation Metric**

- Moving from CPI to the implicit price deflator could result in different adjustment rates
- The implicit price deflator typically measures broader economic inflation

### 3. Future Tax Structure Review

- The K-12 funding equity work group signals potential additional tax structure changes

#### Conclusion

HB2049 significantly increases maximum per-pupil levy limits culminating in a unified \$5,035 rate by 2031, allowing districts to collect substantially more in local property taxes for education. The bill also establishes a path for studying and potentially implementing broader tax authority modifications for school funding in the future.

**Sponsor:** *Representatives Bergquist, Pollet, Santos, Peterson, Fosse, Ryu, Ormsby, Parshley, Macri, Wylie, Berry, Ramel, Street, Gregerson, Doglio, Farivar, Reed, Reeves, Hill, Callan; Senators Wellman, Hansen, Alvarado, Frame, Nobles, Pedersen, Valdez, Wilson, C.*

**Status HB:** [Delivered to the Governor](#)

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

### 42. [HB 2082/SB 5813](#) – Estate Tax Increase & Expansion – **OPPOSE**

This bill makes significant changes to Washington State's tax structure, specifically targeting capital gains tax and estate tax to increase funding for the education legacy trust account.

#### Capital Gains Tax Changes

##### 1. Additional Capital Gains Tax Rate (Section 101):

- The bill maintains the existing 7% excise tax on long-term capital assets that began January 1, 2022
- It adds a new 2.90% additional tax on capital gains exceeding \$1,000,000, effective January 1, 2025
- This creates a tiered system where gains above \$1 million are effectively taxed at 9.90% (7% + 2.90%)
- This change applies to taxes imposed in 2025 for collection in 2026

#### Estate Tax Changes

##### 1. Increased Exclusion Amount (Section 201):

- Raises the estate tax exclusion from \$2,193,000 to \$3,000,000 for estates of decedents dying on or after July 1, 2025
- Establishes an annual inflation adjustment mechanism based on the consumer price index starting in 2026
- The adjustment uses October 2024 as the baseline (rather than October 2012)
- The bill codifies historical exclusion amounts that were previously adjusted for inflation

##### 2. More Progressive Estate Tax Rate Structure (Section 202):

- Creates a new tax rate table for estates of decedents dying on or after July 1, 2025
- Increases rates across almost all brackets compared to the previous structure
- The top tax rate increases from 20% to 35% for estates over \$9,000,000
- Lower brackets also see significant increases:
  - \$1-2 million bracket: from 14% to 15%
  - \$2-3 million bracket: from 15% to 17%

- \$3-4 million bracket: from 16% to 19%
- \$4-6 million bracket: from 18% to 23%
- \$6-7 million bracket: from 19% to 26%
- \$7-9 million bracket: from 19.5% to 30%

**3. Family-Owned Business Interest Deduction (Section 203):**

- Increases the qualified family-owned business interest deduction from \$2.5 million to \$3 million (aligned with the estate tax exclusion amount)
- Adds inflation adjustment provisions matching those for the estate tax exclusion
- Maintains the requirement that family-owned business interests exceed 50% of the estate to qualify

**4. Farm Property Deductions (Section 204):**

- Expands estate tax deductions for farm property to include property passing to "qualified nonfamilial heirs"
- Defines "qualified nonfamilial heir" as a farm employee who materially participated in farm operations
- Adds definition of "employee of a farm" as someone hired by the decedent/family receiving wages or salary

**Purpose and Implementation**

- The bill explicitly states it aims to make Washington's tax system more progressive, noting it's currently "the second most regressive in the nation"
- The legislature acknowledges the 2024 voter approval (64.11%) to uphold funding for education via capital gains tax
- Revenue from these changes is dedicated to the education legacy trust account to fund K-12 education, early learning, child care, and higher education
- The bill contains an emergency clause making it effective immediately upon signing, though the actual tax provisions have later implementation dates

These changes represent a significant restructuring of Washington's capital gains and estate taxes, creating a more progressive system that increases taxes on higher-value estates and capital gains while providing targeted exemptions for family farms and businesses.

**Sponsor:** *Representatives Street, Thai, Ryu, Ramel, Peterson, Pollet, Parshley, Scott, Reed, Berry, Santos, Macri, Tharinger; Senators Wilson, C., Stanford, Alvarado, Frame, Nobles, Pedersen, Valdez*

**Status HB:** **DEAD** – House Finance Committee | NTIB

**Status SB:** [Delivered to the Governor](#)

**43. [HB 2083/SB 5814](#) – Tax Code Expansions**

This bill aims to fund public schools, healthcare, social services, and other programs by modifying certain excise taxes in Washington State. The legislature's stated purpose is to modernize the tax code to better reflect the shift from a goods-based to a service-based economy and to update tobacco product taxation to capture new nicotine products.

**Part I: Extending Retail Sales Tax to Select Services**

The bill significantly expands services subject to retail sales tax by adding several new categories to RCW 82.04.050(3):

1. Information technology services including:

- Network operations and support
- Help desk services
- Hardware/software training
- Data entry and processing
- 2. Custom website development services
- 3. Investigation and security services including:
  - Background checks
  - Security guard and patrol services
  - Security monitoring services
  - Armored car services
  - Security system services (excluding locksmith services)
- 4. Temporary staffing services (except for hospitals)
- 5. Advertising services, including:
  - Creative services (layout, art direction, graphic design)
  - Production services
  - Digital marketing (search engine marketing, lead generation)
  - Online referrals and campaign planning

Notable exclusions from advertising services:

- Web hosting and domain registration
- Services for newspapers
- Out-of-home advertising (billboards, transit ads, etc.)
- 6. Live presentations (lectures, seminars, workshops)

The bill also creates an exemption for sales between members of an affiliated group for several of these newly taxable services.

#### **Part I: Elimination of Software Exemptions**

The bill removes key software exemptions:

1. Eliminates the retail sales tax exemption for custom software
2. Eliminates the exemption for customization of prewritten computer software
3. Adds retail sales tax to electronically delivered custom software services

#### **Part II: Eliminating Digital Automated Service Exclusions**

The bill removes several important exclusions from the definition of taxable "digital automated services" in RCW 82.04.192:

1. Services primarily involving human effort after customer request
2. Live presentations (lectures, seminars, workshops)
3. Advertising services
4. Data processing services

These services will now generally be subject to retail sales tax, with limited exceptions for transactions between affiliated businesses.

#### **Part III: Changes to Tobacco Product Taxation**

The bill expands the definition of "tobacco products" to include:

1. Products containing nicotine derived from tobacco
2. Products containing synthetically created nicotine

This closes a loophole that had exempted newer nicotine products from tobacco taxation.



The bill specifically exempts FDA-approved nicotine products (as of December 31, 2024) from the tobacco tax if they're approved as drugs, devices, or combination products.

#### **Effective Dates**

- Sections on retail sales tax changes (101) and digital automated services (201): October 1, 2025
- Tobacco/nicotine taxation changes (301): January 1, 2026

#### **Conclusion**

This bill represents a significant expansion of Washington's retail sales tax to numerous service categories, particularly targeting digital, professional, and technical services. It removes longstanding exemptions for custom software and certain digital services, and broadens tobacco taxation to include all nicotine products regardless of source. These changes align with the legislature's stated goal of modernizing the tax code to reflect the increasingly service-based economy and to capture emerging products in the nicotine market.

**Sponsor:** *Representatives Stonier, Macri, Parshley, Berry, Reed; Senators Frame, Trudeau, Alvarado, Nobles, Pedersen, Valdez, Wilson, C.*

**Status HB:** **DEAD** – House Finance Committee | NTIB

**Status SB:** [Delivered to the Governor](#)

#### **44. [HB 2081/SB 5815](#) – Business & Occupation (B&O) Tax Hike – **OPPOSE****

This bill makes significant changes to Washington's business and occupation (B&O) tax system.

##### **1. B&O Tax Rate Changes (Effective January 1, 2027)**

The bill increases various B&O tax rates from their current rates to a uniform 0.5 percent for most business activities, including:

- Extractors: 0.484% → 0.5%
- Manufacturers: 0.484% → 0.5%
- Retailers: 0.471% → 0.5%
- Wholesalers: 0.484% → 0.5%
- Service providers: Various changes with new tiered structure

For contests of chance, the rate increases from 1.5% to 1.8%.

##### **2. Service Business Tax Rate Restructuring (Section 109)**

The bill creates a three-tiered structure for service businesses:

- 1.5% for businesses with gross income less than \$1,000,000 (unchanged)
- 1.75% for businesses with gross income between \$1,000,000 and \$5,000,000
- 2.1% for businesses with gross income exceeding \$5,000,000 (new highest tier)

##### **3. New Surcharge on High-Grossing Businesses (Effective January 1, 2026)**

The bill adds a 0.5% surcharge on businesses with Washington taxable income exceeding \$250 million annually. Notable exemptions include:

- Manufacturing activities and related sales
- Income from food, prescription drugs, and certain healthcare items
- Timber industry income
- Petroleum product sales meeting specific conditions
- Fuel transactions
- Agricultural businesses

This surcharge expires December 31, 2029.

#### **4. Increased Financial Institutions Surcharge (Effective October 1, 2025)**

The additional tax on specified financial institutions (those with consolidated group net income of at least \$1 billion) increases from 1.2% to 1.5%.

#### **5. Significantly Increased Advanced Computing Surcharge (Effective January 1, 2026)**

For large technology companies (with worldwide gross revenue exceeding \$25 billion):

- The surcharge dramatically increases from 1.22% to 7.5%
- The annual cap for affiliated groups increases from \$9 million to \$75 million
- Adds automatic enrollment increases for computer science programs when demand exceeds capacity

#### **6. Clarification of Investment Income Deduction (Effective January 1, 2026)**

The bill modifies the investment income deduction by:

- Clarifying that investments must be "incidental to the main purpose" of a business to qualify for deduction
- Defining "incidental" as investment income comprising less than 5% of total worldwide gross income
- Creating exemptions for nonprofit organizations, collective investment vehicles, retirement accounts, and family investment vehicles
- Directing the Department of Revenue to provide guidance on personal investment income not subject to B&O tax

#### **7. Administrative Provisions**

The bill requires the Department of Revenue to engage with its business advisory council to recommend statutory and administrative changes to simplify tax compliance.

The stated purpose is to fund public schools, higher education, healthcare, social services, and other programs benefiting Washington residents.

**Sponsor:** Representatives Fitzgibbon, Peterson, Pollet, Parshley, Scott, Reed, Berry, Macri; Senators Saldaña, Robinson, Frame, Nobles, Pedersen, Valdez

**Status HB:** [Delivered to the Governor](#)

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

