



2023 Legislative Priorities

2023 HOUSE OF ORIGIN CUTOFF LEGISLATIVE SESSION BILL REPORT

FRIDAY, MARCH 10, 2023

WA-SSA Priority Bills in the Legislature in 2023

1. **HB 1628** – Highest State REET Tax – **OPPOSE (A)**
2. **HB 1589/SB 5562** - Banning Natural Gas through Gas Companies – **OPPOSE (A)**
3. **SB 5335** – Capital Gains on Real Estate – **OPPOSE (A)**
4. **HB 1832** – Vehicle Per Mile Charge – **OPPOSE (A)**
5. ~~**HB 1404/SB 5117** – Reforms to Building Code Council – **SUPPORT**~~
6. **HB 1117** – Power Supply Adequacy – **SUPPORT**
7. ~~**SB 5037** – Natural Gas/Energy Code – **SUPPORT**~~
8. ~~**SB 5057** – Energy Standards/Commercial – **SUPPORT**~~
9. **HB 1391** – Energy in Buildings – **SUPPORT**
10. ~~**HB 1527/SB 5539** – Technical Changes to Tax Increment Financing (TIF) – **SUPPORT**~~

Public Safety Bills

1. ~~**SB 5056** – Habitual Property Offender – **SUPPORT (A)**~~
2. ~~**HB 1363/SB 5352** – Police Vehicular Pursuit~~
3. ~~**HB 1586/SB 5533** – Police Vehicular Pursuit Workgroup~~
4. **HB 1143** – Limiting the Purchase or Transfer of Firearms
5. **HB 1240/SB 5265** – Banning Assault Rifles
6. **HB 1492** – Vacating Convictions for Possession of Drugs (State v. Blake)

WA-SSA Information

1. ~~**HB 1388** – Rent Control – **OPPOSE (R)**~~
2. ~~**HB 1389/SB 5435** – Rent Control – **OPPOSE (R)**~~
3. ~~**HB 1625/SB 5615** – Local Rent Control – **OPPOSE (R)**~~

Additional information about these bills, their sponsors, their current status, and more below.
(C) = Commercial; (R) = Residential; (M) = Manufactured Housing; (A) = All

OPPOSED

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

Original Bill

- Would create a new tier in the state graduated REET Tax that would be the highest REET Tax in America on sales over \$5 million.
- The REET Tax would be 4% of the selling price that is greater than \$5 million, beginning January 1, 2025.
- The REET Tax shall be split as follows:
 - 30% to the Washington housing trust fund created in RCW 43.185.030;
 - 30% to the apple health and homes account created in RCW 43.330.184;
 - 15% to the developmental disabilities trust account created in the bill.
 - 24% to the affordable housing for all account created in RCW 43.185C.190 for operations, maintenance, and service cost for permanent supportive housing as defined in RCW 17 36.70A.030.

Amended Bill

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

Talking Points:

- Would create a new tier in the state graduated REET Tax that would be the **highest State REET Tax in America** on sales over \$5 million.
- Costs are already increasing for small housing providers, this will create even more burden on these small businesses and will lead to less housing.
- Increased REET Taxes will discourage housing investment and development in Washington State, increasing rents, and worsening our housing crisis.
- WA is becoming less desirable and less competitive for real estate investment. There are 15 states that do not charge real estate excise or transfer taxes at all. In addition, WA is one of 23 states that also allow a local option real estate excise or transfer tax on top of that. The higher our WA fees, the more likely to drive investment to other states.
- Commercial real estate has taken a lot of financial hits during the pandemic and is still recovering, enacting the nation's highest REET tax would not allow that recovery.
- With many companies still not back to work in the office, adding this extreme REET tax to commercial properties will only exacerbate that problem.

- Higher taxes and increased administrative burden have proven to consistently drive real estate investment out of the market and likely increase rental prices.

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

STATUS HB: House Finance Committee – NTIB

2. HB 1589/SB 5562 - Banning Natural Gas through Gas Companies

Original Bill

- Prohibits gas companies serving more than 500,000 retail natural gas customers in Washington from extending gas service after June 30, 2023.
- Requires a large gas company to file a gas decarbonization plan as part of a multiyear rate plan on or after January 1, 2026, and every four years thereafter, with the aim to achieve the company's proportional share of greenhouse gas emission reductions required under state law.
- Requires a combination utility to file an electrification plan as part of a gas decarbonization plan on or after January 1, 2026.
- Directs the Utilities and Transportation Commission to establish cost targets for gas decarbonization and electrification plans, approve plans that are in the public interest, and adopt depreciation schedules, and a single energy rate base in certain instances.
- Encourages electric utilities to work with large gas companies providing gas service within their service areas to identify opportunities for electrification and providing energy peaking service.

Amended Bill

- Modifies the definition of "electrification" to "the installation by a combination utility of electric end-use equipment provided that installation:
 - o Will result in a net reduction in statewide greenhouse gas emissions over the life of the equipment as compared to the most efficient commercially available natural gas or alternative energy resource alternative; and
 - o Reduces the sales of natural gas by the large gas company. Electrification programs of a combination utility may include, but are not limited to, programs that facilitate deep energy retrofits or the installation of electric air-source heat pumps with gas backups in existing buildings.
 - o However, electric air-source heat pumps with gas backups may not be part of any plan filed pursuant to section 4 of this act [electrification plans]."
- Modifies the definition of "emissions reduction period" to mean "one of four periods of five calendar years each, with the four periods beginning on January 1st of calendar years 2030, 2035, 2040, 2045, and 2050, respectively."

- Adds language to provide that the terms of a gas decarbonization plan filed by a large gas company shall be binding on any entity that subsequently acquires an ownership interest in all or part of the large gas company's gas storage, transmission, or distribution network.
- Requires that an electrification plan be filed by a large gas company, rather than a combination utility, as part of a gas decarbonization plan.
- Provides that the Utilities and Transportation Commission (UTC) may, rather than must, require a large gas company to achieve the maximum level of greenhouse gas emissions reductions practicable using alternative energy resources at or below the applicable cost target.

Talking Points:

- Recent action of the State Building Code Council did not include an outright ban on natural gas.
- Prohibiting new natural gas for housing will increase the cost of new middle housing between \$6,200 to \$13,100 more per unit. This doesn't include the annual operating costs of using natural gas which is one third of the cost of electricity.
- This bill negatively impacts independent grocers and convenience stores. These stores often rely on natural gas to run refrigeration systems and to offset expensive electrical costs for stores that must have these systems running at certain temperatures at all times, to comply with the health code. The costs for running new grocery stores may exceed what people are willing to pay in food costs, increasing the possibility of food deserts in Washington State.
- In some areas where there is not adequate electrical infrastructure to serve new construction a requirement exists for natural gas to be provided in the land deeds for the undeveloped lots. If this bill were to pass the families who have purchased these lots will not be able to build a home, and their investment could be lost.
- If new natural gas connections are prohibited, it will result in significant cost impacts for struggling hospitality businesses, as the demand for rent for the spaces with existing natural gas service will skyrocket. Rents may become unaffordable for small, locally owned family businesses.
- Many Washington homeowners in the Puget Sound region need access to natural gas in order to have fireplaces and other supplemental heating devices during power outages. They may not have the ability to have woodstoves or woodburning fireplaces because of air quality ordinances.

Sponsors: Representatives: Doglio, Fitzgibbon, Berry, Alvarado, Bateman, Ramel, Peterson, Lekanoff, Hackney, Macri, Kloba

STATUS HB: Senate Environment Committee (Passed House 52-44)

Hearing: [Friday, March 17 at 8:00 a.m. – JAC Rm 1](#)

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

3. SB 5335 – Capital Gains

- This bill would not only increase the overall capital gains tax rate from 7% to 8.5%, but it would also now **include real estate transactions**.

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

STATUS SB: Senate Health & Long-Term Care Committee – NTIB

4. HB 1832 – Vehicle Per Mile Charge

- The target date for implementation of a comprehensive, mandatory road usage charge program is January 1, 2030.
- A voluntary road usage charge program is established that places a per mile fee on motor vehicle usage of public roadways in the state.
- The road usage charge rate for the voluntary road usage charge program is 2.5 cents per mile.

Sponsors: *Representatives Fey, Mena, Doglio, Ramel*

STATUS HB: House Transportation Committee – NTIB

SUPPORT

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

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

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

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

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

2. HB 1117 – Power Supply Adequacy

- Requires Commerce and the Utilities and Transportation Commission to convene energy resource adequacy meetings through calendar year 2031.
- Requires the 2023 energy resource adequacy stakeholder meeting to address the risk of rolling blackouts and inadequacy events, discuss how proposed electrification laws and regulations may require new state policy for resource adequacy, and identify incentives to enhance and ensure resource adequacy.
- Removes the requirement that stakeholders are surveyed for recommendations on policy options to prevent severe blackouts, and by removing language characterizing proposed laws and regulations and language referencing the clean energy transition.

Sponsors: *Representatives: Mosbrucker, Dye, Leavitt, Schmidt, Christian, Walsh*

STATUS HB: Senate Environment Committee (Passed House 95-0)

Hearing: [Friday, March 17 at 8:00 a.m. – JAC Rm 1](#)

3. SB 5037 – Natural Gas/Energy Code

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

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

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

4. SB 5057 – Energy Standards/Commercial

Original Bill

- Delays by two years the Tier 1 covered buildings reporting schedule required to comply with the State Energy Performance Standard (Standard).
- Delays by two years the Tier 2 covered buildings rulemaking and reporting requirements for state energy management and benchmarking.
- Creates a work group, convened by the Washington State University Energy Program with assistance from the State Energy Office, to report on the financial impacts to state-owned buildings required to comply with the Standard; and make specific recommendations to the Legislature regarding energy efficiency in the building sector.

Amended Bill

- Delays by one year the Tier 1 covered buildings energy use intensity target reporting schedule required to comply with the State Energy Performance Standard (Standard).
- Creates a work group, convened by Commerce, to report on the financial impacts to all Tier 1 covered buildings required to comply with the Standard.
- Requires the work group report on financial impacts to apply to all Tier 1 rather than only state-owned buildings, schools, and colleges.
- Adds to the work group one representative each from health care, local government, and an organization representing privately owned Tier buildings.
- Provides that starting July 1, 2023, a building owner may apply for a financial hardship exemption three years in advance of each compliance requirement.
- Clarifies that an exemption under the standard is for a five-year compliance period.
- Makes specific recommendations to the Legislature regarding energy efficiency in the building sector.

Sponsors: *Senators: Mullet, Schoesler, Gildon, Short, Torres, Van De Wege, Wellman, Wilson, L.*

STATUS SB: Senate Floor (DEAD??)

5. HB 1391 – Energy in Buildings

Original Bill

- Directs Commerce to contract with one or more administrators to establish a Statewide Building Energy Upgrade Navigator Program (Navigator Program) by March 1, 2024.
- Requires the administrator(s) of the Navigator Program to provide outreach and deliver energy services to residences, commercial buildings under 20,000 square feet, and multifamily buildings, and to develop community workforce agreements.
- Requires Commerce, by December 2023, to convene a technical advisory group to provide ongoing guidance to the Navigator Program, and to report to the Legislature.

Amended Bill

- Adds that the Navigator Program must be aligned with programs and funding authorized under the federal Infrastructure Investment and Jobs Act in addition to the federal Inflation Reduction Act.
- Clarifies that the administrator is not required to provide weatherization as part of providing energy efficiency services.
- Clarifies additional language, including that the Navigator Program must provide resources for renters.
- Removes a remaining reference to community workforce agreements.

Second Substitute

- Directs the Department of Commerce to contract with one or more administrators to establish a Statewide Building Energy Upgrade Navigator Program (Navigator Program) by March 1, 2024.
- Requires the administrator(s) to align the Navigator Program with programs and funding under the federal Inflation Reduction Act and the federal Infrastructure Investment and Jobs Act, provide outreach, and deliver energy services to residential building owners and renters, owners of commercial buildings under 20,000 square feet, and owners and occupants of single-family and multifamily buildings.
- Requires Commerce to convene a technical advisory group to provide ongoing guidance to the Navigator Program by December 2023, and to report to the Legislature.

Sponsors: *Representatives Ramel, Doglio, Duerr, Berry, Pollet, Reed*

STATUS HB: Senate Environment Committee (Passed House 56-41)

6. HB 1527/SB 5539 – Technical Changes to Tax Increment Financing (TIF)

- Provides Technical Corrections for Tax Increment Financing
- Defines the term real property as it relates to local tax increment financing areas.

- Clarifies that an increment area takes effect on June 1st following the adoption of the ordinance designating the increment area.
- Provides local taxing districts the authority to increase their property tax levy capacity for increases in assessed value in certain situations.

By Request: State Treasurer

Sponsors: Representatives: Wylie, Sandlin, Duerr, Barnard, Connors, Chapman, Waters, Springer, Harris, Gregerson; **Senators:** Cleveland, Wilson, L., Mullet, Boehnke, King, Liias, Frame, Wellman

STATUS HB: Senate Business & Financial Services Committee (Passed House 80-15)
Executive Session: Tuesday, March 14 at 8:00 a.m. – JAC Rm 2

STATUS SB: DEAD – Senate Ways & Means Committee

Public Safety Bills

1. SB 5056 – Habitual Property Offender

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

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

STATUS SB: Senate Floor

2. HB 1363/SB 5352 – Police Vehicular Pursuit

- Restores previous law allowing police pursuit.
- Lowers the evidentiary threshold required for engaging in a vehicular pursuit by allowing an officer to conduct the vehicular pursuit if the officer has reasonable suspicion that a person has committed or is committing any criminal offense.
- Eliminates the provisions limiting a vehicular pursuit to situations where the vehicular pursuit is necessary for the purpose of identifying or apprehending a person, the person poses an imminent threat to the safety of others, and the officer receives authorization from a supervisor and there is supervisory control.
- Modifies certain vehicular pursuit requirements related to supervisory oversight and establishes new requirements related to direct communication with specified entities, development of a plan to end the vehicular pursuit, and the pursuing officer's training and certifications.

Sponsors: Representatives Rule, Robertson, Shavers, Mosbrucker, Reeves, Leavitt, Paul, Griffey, Timmons, Bronoske, Klicker, Walen, Hackney, Couture, Maycumber, Corry, Cortes, McClintock, Davis, Bergquist, Christian, Connors, Dent, Jacobsen, Sandlin, Rude, Stokesbary, Barkis, Graham, Chapman, Ryu, Lekanoff, Wylie, Springer, Callan, Cheney, Orcutt, Stonier,

Caldier, Berg; Senators Lovick, MacEwen, Cleveland, Conway, Gildon, Holy, Hunt, Mullet, Rolfes, Salomon, Short, Torres, Van De Wege, Warnick, Wilson, L.

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

STATUS SB: House Comm Safety...Committee (Passed Senate 26-23)

3. HB 1586/SB 5533 – Police Vehicular Pursuit Workgroup

- Creates a model vehicle pursuit policy work group within the Criminal Justice Training Commission (CJTC).
- Requires the CJTC to convene a work group by June 30, 2023, to develop recommendations related to vehicular pursuits by law enforcement.
- Requires the CJTC to develop and implement a vehicular pursuit technology grant program by October 31, 2023, for the purpose of providing modern vehicular pursuit management technology to local law enforcement agencies.

Sponsors: *Representatives Goodman, Doglio, Lekanoff and Pollet; Senators Lovick, Randall, Dhingra, Hunt, Liias, Lovelett, Nguyen, Nobles, Pedersen, Robinson, Saldaña, Shewmake and Van De Wege.*

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

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

4. HB 1143/SB 5211 – Limiting the Purchase or Transfer of Firearms

Original Bill

- Prohibits a dealer from transferring a firearm to a purchaser or transferee unless the person has a valid permit to purchase firearms, and establishes requirements for the application, issuance, and revocation of permits to purchase firearms.
- A firearms dealer may not deliver a pistol to a purchaser or transferee until one of the following occurs:
 - The purchaser produces a valid concealed pistol license (CPL);
 - The results of required background checks are known and the purchaser or transferee is not ineligible to possess a firearm; or
 - 10 business days have elapsed since the application was received by the law enforcement agency (with exceptions extending this time period).
- A dealer may not deliver a semiautomatic assault rifle to a purchaser until:
 - The purchaser provides proof of completion of a recognized firearm safety program within the last five years; and
 - The results of required background checks are known and the purchaser or transferee is not ineligible to possess a firearm; or
 - 10 business days have elapsed from the date of the purchase application, or for a transfer, from the date the dealer requested the background check (with exceptions extending this time period).
- A dealer may not transfer a semiautomatic assault rifle prior to the expiration of the 10-day period.

- A dealer must hold delivery of a pistol or semiautomatic assault rifle if the applicant has an outstanding arrest warrant or the law enforcement agency has notified the dealer of an investigative hold based on open or pending charges or proceedings.
- Requires a firearms transfer application and recordkeeping requirements for **ALL** firearm transfers.
- Updates firearm transfer and background check processes, including updates to conform to the implementation of a state firearms background check program.
- Amends numerous other provisions of law to incorporate permits to purchase firearms consistent with requirements relating to concealed pistol licenses.

Amended Bill

- Eliminates the requirement that a dealer may not transfer a firearm to a person unless the person has a valid permit to purchase firearms, and removes all provisions of the bill that relate to permits to purchase firearms.
- Retains the firearms safety training program as a requirement for the purchase or transfer of a firearm.
- Provides that a dealer may not transfer a firearm to a person unless the person provides proof of completion of a recognized firearm safety training program within the previous five years.
- Removes live-fire training from the required components of the firearm safety training program.
- Removes the requirement that the firearm safety training program must be certified by the Washington State Patrol as compliant with program requirements, and provides that proof of training must be in the form of a certification that states under penalty of perjury that the training included the minimum requirements.
- Retains provisions that provide that a dealer may not transfer any firearm to a purchaser or transferee until:
 - The purchaser produces a valid concealed pistol license (CPL);
 - The results of required background checks are known and the purchaser or transferee is not ineligible to possess a firearm; or
 - 10 business days have elapsed since the application was received by the law enforcement agency (with exceptions extending this time period).
- Once the state firearms background check system is operational, the WSP will charge a fee of up to \$18 for all firearms transfers, and the intent of the Legislature is that this firearm transfer fee replaces the fee for semiautomatic assault rifles.
- Changes the effective date to January 1, 2024, rather than January 1, 2025.

Sponsors: *Representatives Berry, Walen, Reed, Peterson, Street, Bateman, Ramel, Senn, Callan, Doglio, Macri, Lekanoff, Duerr, Pollet, Davis, Kloba, Fosse, Ormsby; Senators Liias, Trudeau, Dhingra, Frame, Hunt, Keiser, Kuderer, Lovelett, Lovick, Nguyen, Nobles, Pedersen, Robinson, Stanford, Valdez, Wilson, C..*

STATUS HB: Senate Law & Justice Committee (Passed House 52-44)

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

5. HB 1240/SB 5265 – Banning Assault Rifles

- Bans the manufacture, importation, distribution, sale, or offer for sale of any assault weapon, subject to various exceptions for licensed firearm manufacturers and dealers, and for individuals who inherit an assault weapon.
- The term "assault weapon" is defined to include various kinds of firearms, including:
 - Semiautomatic rifles with an overall length of less than 30 inches;
 - Semiautomatic centerfire rifles that have the capacity to accept a detachable magazine and have one or more additional features;
 - Semiautomatic centerfire rifles with a fixed magazine with the capacity to accept more than 10 rounds;
 - Semiautomatic pistols that have the capacity to accept a detachable magazine and have one or more additional features;
 - Semiautomatic shotguns that have one or more additional features;
 - Specific firearm models identified in the bill; and
 - Conversion kits and parts that can be used to assemble an assault weapon or convert a firearm into an assault weapon, if the parts are in the possession of or under the control of the same person.
- The restrictions on assault weapons are subject to several exceptions:
 - Licensed firearms manufacturers are authorized to manufacture, import, distribute, offer for sale, and sell assault weapons for the purpose of sale to the armed forces of the United States or WA, or to any law enforcement agencies for law enforcement purposes, or to a person who does not reside in Washington.
 - Licensed firearms dealers are authorized to import, distribute, offer for sale, and sell assault weapons for the purpose of sale to the armed forces of the United States or WA, or to law enforcement agencies in Washington for law enforcement purposes. Or for the purpose of selling or transferring the weapon to a person who does not reside in WA
 - Any person may acquire possession of an assault weapon by operation of law upon the death of the weapon's former owner, if that former owner was in legal possession of the weapon and the person who acquires possession can establish such provenance.
- Provides a violation of these restrictions constitutes a gross misdemeanor and is actionable under the Consumer Protection Act.

Sponsors: *Representatives Peterson, Senn, Alvarado, Walen, Street, Springer, Simmons, Reeves, Reed, Ormsby, Kloba, Fitzgibbon, Duerr, Doglio, Berry, Bateman, Fey, Davis, Ramel, Bergquist, Fosse, Pollet, Lekanoff, Macri, Gregerson, Santos; Senators Uderer, Valdez, Cleveland, Dhingra, Hunt, Liias, Nguyen, Nobles, Pedersen, Saldaña, Salomon, Stanford, Trudeau, Wellman, Wilson, C..*

STATUS HB: Senate Law & Justice (Passed House 55-42)

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

6. HB 1492 – Vacating Convictions for Possession of Drugs (State v. Blake)

- Establishes procedures and requirements for vacating convictions, resentencing, and refunding legal financial obligations (LFOs) pursuant to State v. Blake.
- Requires the Administrative Office of the Courts (AOC) to develop lists for each court of all qualifying convictions subject to vacation and qualifying nonconvictions eligible for a refund of LFOs and other costs.
- Requires prosecutors to review the lists and take certain actions, including filing ex parte motions to vacate qualifying convictions and to refund LFOs and other costs for qualifying convictions and qualifying nonconvictions.
- Sets forth required contents and effect of a vacation order. Defines LFOs and other costs entitled to reimbursement, creates rules for determining refund amounts, and requires the AOC to establish a refund bureau to provide direct refunds.
- Allows persons to challenge the amount of any refund, or to bring their own motion to vacate or seek a refund of LFOs and other costs for a qualifying nonconviction.

Sponsors: *Representatives Simmons, Peterson, Santos, Doglio, Pollet, Macri, Reed.*

STATUS HB: House Rules Committee (DEAD??)

WA-SSA Information

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

Original Bill

- Applies to both residential housing and manufactured home communities.
- Prohibits a landlord from increasing rent more than the rate of inflation (CPI-U) or 3%, whichever is greater, up to a max of 7% above rent if the rent increase:
 - Is not justified by costs necessary to maintain the dwelling unit
 - Is substantially likely to lead to the displacement of the tenant, or
 - Is used to avoid other tenant protections.
- Rent increase provisions do not apply to:
 - Dwelling units that are less than 10 years old.
 - Tenancies for which the landlord is required to reduce rent to 30% or less of the tenant's income because of a federal, state, or local program or subsidy.
- Creates a private cause of action for a tenant to recover actual damages, punitive damages equal to 3 months' rent and fees, and reasonable attorneys' fees and costs.
- Provides that a violation of the RLTA or MHLTA is a violation of the Consumer Protection Act.
- Prohibits charging a higher rent or including terms of payment or other material conditions in a rental agreement that are more burdensome to a tenant for a month-to-month rental agreement than for a longer-term rental agreement.
- Authorizes the Attorney General (AG) to:

- Investigate practices that violate this section. When investigating, the AG may consider, in addition to any other relevant information:
 - The condition of the unit, including outstanding repair issues, maintenance costs other than for upgrades, property taxes, etc.;
 - Whether a rent increase was issued to evade protections afforded to tenants; and
 - Whether a rent increase will result in the displacement of the tenant or household.
- Issue a cease-and-desist letter to prevent predatory practices that violate this section. If the recipient does not comply within five calendar days, the AG may file an action in court with a civil penalty up to \$10,000 per ;
- Imposes a civil penalty of no more than \$25,000 per violation.
- Requires Commerce to calculate and publish the maximum annual rent increase percentage on September 30, 2023, and on each following September 30th.
- Includes an emergency clause and an immediate effective date.

Amended Bill

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

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

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

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

- Applies to both residential housing and manufactured home communities.
- Prohibits a landlord from increasing the rent more than the CPI-U or 3%, whichever is greater, up to a maximum of 7%. Commerce is required to calculate and publish the maximum annual rent increase percentage.
- Contains a VERY complicated "banking" process to carry forward the ability to give an increase later if not given in that year.
- Prohibits a landlord from increasing the rent in the first 12 months of a tenancy.
- "Rent increase" is defined to include any new charges added to a rental agreement that were not identified in the initial rental agreement. For example, new parking, utility, or other charges.
- Requires a landlord that increases rent above the limit to include facts supporting the exemption in the written notice of the rent increase.
- Creates a private cause of action for a tenant to recover actual damages, punitive damages equal to 3 months' rent, and reasonable attorneys' fees and costs.
- Provides the following exemptions from the maximum annual rent increase limit:
 - Dwelling units that are less than 10 years old;
 - Tenancies for which the landlord is required to reduce rent to 30% or less of the tenant's income because of a federal, state, or local program or subsidy;
 - If a landlord has paid for improvements costing more than 4 months' rent...
 - If a landlord is experiencing significant hardship in complying with rent control due to a disparity between the local costs for providing housing and the statewide costs, the landlord may request an individual exemption from Commerce.

Amended Bill

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

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

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

3. HB 1625/SB 5615 – Local Rent Control

- Removes the State Preemption on Rent Control (RCW 35.21.830) allowing local governments to enact local rent control.
- Would allow every Local Government to create a different local rent control policy; that could mean **more than 450 different local rent control policies across WA State.**
- There is no floor to what a city could impose under local rent control including denying any increase whatsoever to housing providers.
- The desperate need for “Middle Housing” solutions shows that cities have not found solutions for housing, why should we trust them with local rent control?

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

STATUS HB: **DEAD** – House Housing Committee
STATUS SB: **DEAD** – Senate Local Government, Land Use & Tribal Affairs

