



## 2024 LEGISLATIVE SESSION FISCAL CUTOFF REPORT

MONDAY, FEBRUARY 5, 2024

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

The first **Policy Committee Cutoff** was on **Wednesday, January 31**.

**Monday, February 5** is the **House Fiscal Committees and Senate Ways & Means and Transportation Committees in House of origin Cutoff**. The **Last day to consider bills in the House of Origin (5 p.m.)** is on **Thursday, February 13**.

All bills that did not pass in the 2023 Legislative Session have been **automatically re-introduced** in the **2024 Legislative Session**.

### WA-SSA Priority Real Estate Bills in the Legislature in 2024

1. **HB 2276/SB 6191** – Increasing REET Tax – **OPPOSE (A)**
2. **SB 6136** – B&O Tax or Rent Control on Commercial & Residential Rents – **OPPOSE (A)**
3. **HB 1589/SB 5562** - Banning Natural Gas through Gas Companies – **OPPOSE (A)**
4. ~~**HB 2139/SB 6203** – Self Storage Not Under RLTA – **SUPPORT (C)**~~
5. **HB 2114/SB 5961** – Rent Control – **OPPOSE (R)**
6. **SB 5770** – Property Tax Increase to 3% based on CPI – **OPPOSE (A)**
7. **SB 5335** – Capital Gains on Real Estate – **OPPOSE (A)**
8. **HB 1976** – Increasing Incentives for Tier 1 & Tier 2 Buildings – **SUPPORT (C)**

### WA-SSA Priority Retail & Public Safety Bills

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

### WA-SSA 2023 Priority Bills (Alive but NO action yet in 2024)

1. **HB 1628** – Highest State REET Tax – **OPPOSE (A)**
2. ~~**HB 1404/SB 5117** – Reforms to Building Code Council – **SUPPORT**~~
3. ~~**SB 5037** – Natural Gas/Energy Code – **SUPPORT**~~
4. ~~**SB 5057** – Energy Standards/Commercial – **SUPPORT**~~
5. **HB 1391** – Energy in Buildings – **SUPPORT**

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

## **OPPOSED**

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

- Increases the tax on the sale of property over \$3M by adding a 1% Real Estate Transfer Tax (RETT) to the existing 3% Real Estate Excise Tax (REET).
- Beginning January 1, 2025, the rate of the tax imposed is as this follows:
  - 1.1% of the portion of the selling price that is less than or equal to \$750,000;
  - 1.28% of the portion of the selling price that is greater than \$750,000 and equal to or less than \$1,525,000;
  - 2.75% of the portion of the selling price that is greater than \$1,525,000 and equal to or less than \$3,025,000; and
  - 3.0% of the portion of the selling price over \$3,025,000, **PLUS 1.0% RETT tax**
- Only 7% of REET and RETT revenues shall go as follows:
  - 25% to the Washington State Housing Trust Fund
  - 25% to the Apple Health and Homes Account
  - 15% to a new Developmental Disabilities Trust Account
  - 25% to the Affordable Housing for All account
  - 10% to the new Housing Stability Account.

#### **Talking Points:**

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

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

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

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

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

- **Unconstitutionally requires** all property owners to **decide between paying B&O tax or agreeing to rent control.**

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

**Talking Points:**

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

**Substitute Bill:**

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

**Sponsors:** *Senators: Kuderer, Frame, Hasegawa, Lovelett, Nobles, Saldaña, Wellman*

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

**3. HB 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.

#### **Amended Bill in Senate Environment Committee**

- Directs that until January 1, 2035, the prohibition to extend gas service in section 2 does not apply to residential facilities that use natural gas solely to supply generators for the purpose of providing emergency power during an energy supply emergency declared by the governor or during a loss of electrical service. Requires the natural gas company to include this limitation on use in its tariff.
- Authorizes the utilities and transportation commission (UTC) to extend the deadline by an additional two months for a decision in the first multiyear rate plan proposed by a combination utility, following approval or approval with conditions from the UTC of an initial integrated system plan.

#### **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 to comply with the health code. The costs for running new grocery stores may exceed what people are willing to pay for food, 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, Energy & Technology Committee

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

#### 4. HB 2114/SB 5961 – Rent Control

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

#### **House Substitute Bill:**

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

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

**Senate Substitute Bill:**

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

**Sponsors:** *Representatives: Alvarado, Macri, Ramel, Peterson, Mena, Slatter, Farivar, Taylor, Doglio, Cortes, Fitzgibbon; Senators: Trudeau, Nobles*

**STATUS HB:** House Rules Committee

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

**5. SB 5770 – Property Tax**

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

**Talking Points:**

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

Technical corrections made in Senate Ways and Means Committee still to come.

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

**STATUS SB:** Senate Rules Committee

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

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

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

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

## SUPPORT

### 1. HB 2139/SB 6203 – Self Storage Not Under RLTA

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

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

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

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

### 2. HB 1976 – Increasing Incentives for Tier 1 & Tier 2 Buildings

- The State Energy Performance Standard (Standard), established in 2019, requires Commerce to establish rules for energy performance standards for covered commercial buildings.
- The Standard applies to two tiers of covered commercial buildings (Tier 1 & 2) and seeks to reduce greenhouse gas emissions from the building sector.
- The Standard includes an Early Adoption Incentive Program for covered building owners who comply with the Standard before the required date.
- The bill allows Commerce to provide incentives greater than the base incentive payment for upgrading Tier 1 and Tier 2 buildings.

#### Talking Points:

- Commerce has determined that the base incentive payment is not high enough for large energy efficiency projects. Allowing larger incentive payments would lower barriers to participation in the program.

- However, while the new incentive rates will help, they will not go very far. There are approximately 8,000 Tier 1 buildings and upgrades cost as much as \$8 per sq ft.
- The cost of these upgrades could account for half of the operating costs for some of these large buildings.
- Industry should have access to even greater incentives to meet efficiency standards and the Legislature should allocate more money for that purpose.

**Sponsors:** *Representatives Fosse, Doglio, Fitzgibbon, Ramel, Reed, Lekanoff, Reeves, Pollet*

**STATUS HB:** House Floor

## Retail & Public Safety Bills

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

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

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

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

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

### 2. I-2113 – Reasonable Police Pursuit

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

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

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



### 3. SB 5056 – Habitual Property Offender

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

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

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

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

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

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

**STATUS HB:** House Floor

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

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

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

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

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

## **2023 Priority Bills (NO action yet in 2024)**

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

#### **Original Bill**

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

#### **Amended Bill**

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

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

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

**Talking Points:**

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

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

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

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

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

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

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

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

**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:**        **DEAD** – Senate Rules "X" file

#### **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:** House Rules Committee

