



# Government Affairs Committee Legislative Report

March 14, 2017

## State Legislative Update

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We've reached the point in the legislative process where any proposed legislation must have passed out of its house of origin to continue receiving consideration. That is, except, those bills which are "Necessary to Implement the Budget" (NIB). This moniker, afforded to certain pieces of proposed legislation that have a financial component, allows the bill to remain alive while the details of the State's budget are being worked out. Many of the financial policy proposals we have been following fall into this category.

WMFHA has consistently opposed a statewide mandate making any kind of source of income a protected class. Both the House and Senate versions of the source of income bill did not receive a floor vote and are dead for this legislative session. As the issue of housing affordability continues across the State, and vacancy rates remain low, several local jurisdictions are considering or have enacted local source of income protections. (see below for recent local ordinances) Each local ordinance varies, which makes doing business in multiple jurisdictions very challenging. WMFHA supports a consistent policy across all local jurisdictions and we continue to meet with stakeholders to find common ground on the issue of source of income protections.

### Bill Details

### WMFHA's Position

#### Source of Income Protections

Oppose

This bill would make source of income a protected class across the State. The proposal also requires housing providers to subtract any subsidy paid from the total rent before applying any income-to-rent qualifying criteria.

#### [HB 1633](#)

The Senate version did not receive further attention and is dead for the Session. The House version made it to the House floor, however progressive Democrats believed that proposed amendments (by another Democrat) favored the landlord industry too much and the bill did not receive a vote prior to the cut-off.

Bill Details

WMFHA's Position

Unlawful Entry

Support

[ESSB 5388](#)

This proposal authorizes a peace officer to remove a person from the premises and order the person to remain off the premises, when the person is unlawfully entering the premises. The proposal also authorizes an owner of premises to initiate an investigation and request the removal of an unauthorized person from the premises by providing a statutory declaration to law enforcement.

The Senate version passed the Senate 49-0. The House version did not receive further attention and is dead for the Session.

Increasing Notice of Termination

Oppose

[SSB 5408](#)

This bill increases the termination notice required in month-to-month tenancies from 20 days to 30 days. The original version of the bill would have required 60-days' notice of termination in tenancies longer than two years. This was removed by the Senate committee prior to passing out of committee.

The Senate version did not receive a floor vote and will not receive further attention this legislative session. The House version was introduced on February 8 and did not receive a hearing prior to the February 17 cutoff.

The following bills are those that WMFHA continues to monitor:

Bill Details

WMFHA's Position

Dispute Resolution Fees

Oppose

[HB 1070](#)

This proposed legislation adds a \$20 filing fee on each civil filing in superior court, including unlawful detainers (evictions). It also increases current civil filing surcharges from \$10 to \$20 in district court and increases civil filing fees on small claims actions from \$15 to \$20. The increase in funds and surcharge would be used to fund dispute resolution centers in district and superior court cases. Dispute resolution is mandatory in many civil claims; however, it is not required in unlawful detainer actions.

This bill passed the house 68-30 and will now be considered by the Senate committee on Law & Justice.

Commercial Rent Control

Support

[SB 5286](#)

This proposed legislation prohibits a city or town from enacting, maintaining, or enforcing ordinances or other provisions which regulate the amount of rent to be charged for commercial rental properties.

This bill passed the Senate 26-21-2 and will now be considered by the House Committee on Local Government.

## Bill Details

## WMFHA's Position

### Court Filing Fee Surcharge

Oppose

[HB 1140](#)

This proposed legislation extends the current surcharges on court filing fees for deposit into the judicial stabilization trust account through July 1, 2021.

This bill is unlikely to move forward.

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### Homeless Housing & Assistance

Oppose

[HB 1570](#)

This proposal increases the county auditor surcharge on document recording from \$10 to \$90 and makes it permanent. The funds would be directed to programs such as a state-wide homeless housing strategic plan, landlord education and a landlord liaison program, and the homeless housing grant. The bill also expands the definition of private market housing to include non-profit managed housing. The bill also sets reporting requirements to create and update strategic homeless plans.

This bill is necessary to implement the budget and remains alive.

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### Affordable Housing/Taxes

Oppose

[HB 1797](#)

This bill concerns encouraging affordable housing development and preservations by providing cities with limited sales tax remittance for qualifying investments, providing cities and counties authority to use real estate excise taxes to support affordable housing, and providing cities and counties with councilmanic authority to impose the affordable housing sales tax.

This bill is necessary to implement the budget and remains alive.

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### Tenant Property, Disposition

Support

[SB 5013](#)

This proposal authorizes the disposal of tenant property placed public property by the landlord after the property has remained for a period of at least five days. Currently, the time period that is required varies from jurisdiction to jurisdiction and some local jurisdictions consider disposition of tenant property a public nuisance.

This bill passed the Senate 33-16 and will now be considered by the House Committee on Judiciary.

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### Housing Assistance/WCCW

Support

[SSB 5077](#)

This proposal authorizes the Department of Corrections to provide temporary housing assistance for a person being released from the Washington Corrections Center for Women through the use of temporary rental vouchers. The proposal does not provide any source of funding for this program.

This bill passed the Senate 49-0 and will now be considered by the House Community Development, Housing & Tribal Affairs Committee.

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## Bill Details

## WMFHA's Position

### Capital Gains Excise Tax

Oppose

[SB 5111](#)

This proposal enacts an excise tax on capital gains to improve the fairness of Washington's tax system and provide funding for the education legacy trust account for the purpose of providing funding for the education legacy trust account. The tax would be imposed on individuals for the privilege of: (1) Selling or exchanging long-term capital assets; or (2) Receiving Washington capital gains.

This bill is necessary to implement the budget and remains alive.

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### B&O Tax/Education

Oppose

[SB 5113](#)

This tax proposal modifies and increases the collection of the business and occupation tax (B&O tax) from 1.5% to 2.8%, and provides small business tax relief for the purpose of partially funding basic education.

This bill is necessary to implement the budget and remains alive.

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### Affordable Housing Options

Support

[SB 5182](#)

This proposal authorizes a city and county governing authority to adopt a property tax exemption program, to preserve affordable housing for very low-income households at risk of displacement or that cannot afford market-rate housing. The law, which is similar to the MFTE program requires the resident to provide identifying information and income data in order to administer the program.

This bill is unlikely to move forward.

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## Local Issues

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**Seattle:** The issue of “pet rent” continues to be a problem in the City of Seattle. The City continues to interpret the move-in fees ordinance in this way:

“A landlord may charge a tenant with a pet different rent than they charge someone without pets. You should advise people to not show this as a separate fee, just include it in the full rent that is charged each month.”

Though WMFHA strongly disagrees with the City's interpretation in how to itemize and describe additional rent for residents with pets, we have learned that the Department is beginning to notify housing providers who itemize “pet rent” that they are in violation of the law. We have met with the Department on more than one occasion to allay our concerns over fair housing issues and issues arising out of program specific rent restricted units in following the interpretation of the City, to no avail.

Besides the issue of pet rent, the City is moving forward on a new [Renter's Commission](#) and will propose making adjustments to the Rental Inspection and Registration Ordinance (RRIO) and Just Cause Eviction Ordinance (JCEO). We expect this proposal to reach City Council in the late spring.

**Tukwila** enacted source of income protections on March 6, 2017. The ordinance, found [here](#), defines source of income as “legally-derived income from social security, supplemental security income, other retirement programs, or any federal, state, local or nonprofit administered benefit or subsidy programs, including housing assistance, public assistance and general assistance programs.” There is an exception for any income source that is pre-scheduled to terminated during the initial term of the lease.

**Spokane** will vote on an ordinance making source of income a protected class on March 27. The ordinance, models the source of income definition after the City of Seattle, and protects all income streams, regardless of duration of the subsidy payment. The draft ordinance can be found [here](#).

## WMFHA Political Action Committee

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WMFHA thanks all those who have made contributions to the WMFHA PAC. In 2016, the WMFHA PAC made contributions to 35 statewide legislative races; 32 of those candidates for statewide office won election. Candidates receiving contributions from the WMFHA PAC support legislative actions for WMFHA’s members to continue building a successful multi-family apartment industry in the State of Washington. We urge your continued support of the WMFHA PAC and support for candidates whose political views align with the multi-family apartment industry.

## Our Team

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WMFHA Day on the Hill, February 3, 2016

### Government Affairs

**Brett Waller**, Director of Gov’t Affairs  
**Joseph Puckett**, Chair Gov’t Affairs Comm.  
**Kathryn Hedrick**, State Lobbyist

WMFHA takes pride in representing our members before the State Legislature. Our presence is sought and respected by members of both political parties because of the professionalism, knowledge and constructive dialogue we bring to the table. We thank all of you for your commitment to the industry, your professionalism and being a part of our team.