**5662-S2 AMS FORT S4577.1 - NOT FOR FLOOR USE**

**2SSB 5662** - S AMD **1107**

By Senator Fortunato

**NOT ADOPTED 02/14/2022**

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec.**  (1) The legislature finds that many individuals experience homelessness as a result of a lack of available and affordable housing, increasing rents, insufficient income, complex and long-term behavioral health conditions, substance addiction, or disabilities, or as a result of domestic violence. Every night thousands of Washingtonians go to sleep in places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings, and spaces on public land. More than 1,750 unsanctioned encampments exist on public rights-of-way managed by state agencies. Public right-of-way encampments present increasing concerns for the health and safety of those encamped in this space, the public, and those workers who are responsible to maintain and improve public lands.

(2)(a) The legislature intends that persons experiencing homelessness be treated with dignity, care, and compassion. The legislature recognizes that the primary drivers of homelessness stem from a lack of investment in affordable housing, behavioral health, and other supports that provide economic stability.

(b) Furthermore, the legislature intends that local jurisdictions and providers engage persons experiencing homelessness with teams of multidisciplinary experts focused on trauma-informed care and provision of services with the goal of transitioning persons experiencing homelessness into permanent housing solutions. The legislature further intends that every effort must be made to avoid furthering existing trauma to persons experiencing homelessness by causing displacement that does not result in a transition to permanent housing. To that end, the legislature intends that a multidisciplinary team within state government be established to coordinate across state agencies, and collaborate with local governments, nonprofit organizations, and persons encamped on state rights-of-way to find housing solutions.

NEW SECTION. **Sec.**  A new section is added to chapter 43.20A RCW to read as follows:

(1) There is created the office of intergovernmental coordination on public right-of-way homeless encampments within the department. For purposes of this section, "public right-of-way" includes public roads, sidewalks, and parks.

(2) Activities of the office must be carried out by a director and supervised by the secretary of the department or his or her designee.

(3) The office is responsible for leading efforts under this section to coordinate the spectrum of ongoing and future funding, policy, and practice efforts related to reducing the number of persons in unsanctioned encampments on state public rights-of-way. This includes coordination across state agencies, through local governments, and with persons in unsanctioned encampments on state public rights-of-way with the goal of reducing the number of encamped persons through transition to a permanent housing solution so that the encampment is closed with the site either restored to original conditions or preserved for future use.

(4) The office shall establish:

(a) Regional coordination teams charged with state agency, local government, and nonprofit organization collaboration on identifying or creating solutions that bring persons encamped on public rights-of-way into permanent housing to include traditional and nontraditional housing options. Collaboration partners will provide regional knowledge and support to address specific and unique regional needs. Collaboration partners may include the health care authority, the health benefit exchange, the department of health, the department of transportation, the department of ecology, the department of commerce, the department of veterans' affairs, tribal authorities, counties and cities, and private not-for-profit agencies;

(b) Regional outreach teams charged with outreach with the homeless population. Each team will include state, local, and private partners in addition to a core team from the department. Outreach teams are part of an intergovernmental team for initial assessment to identify and target individual needs, such as medical issues and treatment, mental health treatment, acquisition of medication, identification acquisition (such as birth certificates and social security cards), poly-substance abuse treatment, housing needs, need for immediate sheltering, need for social services (including supplemental nutrition assistance program benefits, women, infants, and children benefits, supplemental security income acquisition, medicaid, medicare, and social security benefits), and reengagement with family and relatives; and

(c) A data analysis team charged with data infrastructure development to create a performance monitoring infrastructure, establish a baseline, and then track outcomes for individuals experiencing homelessness in locales around encampments on public rights-of-way. The team shall also estimate the impact on client outcomes and services as well as estimate public program cost savings, where applicable. The data analysis team must provide a report to the governor and appropriate legislative committees by December 1, 2023, and annually thereafter.

NEW SECTION. **Sec.**  A new section is added to chapter 43.185C RCW to read as follows:

The department shall collaborate with the office of intergovernmental coordination on public right-of-way homeless encampments created in section 2 of this act on developing and implementing a statewide effort to reduce the number of persons encamped on the state public rights-of-way by transitioning to permanent housing solutions. The department shall use any funds appropriated by the legislature for this purpose to provide grants to local governments or nonprofit organizations to meet the individual needs of persons encamped on state public rights-of-way in order to facilitate their transition to permanent housing. Such grants must include graduated rental assistance programs in which recipients must contribute either a percentage of their income to rent or perform community service in exchange for rental assistance.

NEW SECTION. **Sec.**  A new section is added to chapter 36.01 RCW to read as follows:

(1)(a) In coordination with the office of intergovernmental coordination on public right-of-way homeless encampments created in section 2 of this act, every county and each city with a population over 50,000 must establish and operate at least one emergency overnight shelter site in its respective jurisdiction. Counties and each eligible city within the county's geographic boundary must coordinate to ensure that there are enough cumulative shelter beds to accommodate, at a minimum, the sheltered and unsheltered portions of the county's most recent point-in-time homeless count.

(b) Counties and each eligible city must make available employment, mental health, and drug counseling services at each shelter location with funding made available from the state operating budget or local funds as appropriated for these purposes. Accommodations at each shelter must be prioritized for persons who participate in available services. Each shelter may prohibit the possession and use of alcohol and unprescribed drugs on its premises contingent upon evaluation for and compliance with treatment as recommended. Each shelter must provide a secure space for each person or family's belongings and provide personal security during shelter operating hours.

(2) Any county or city establishing a shelter under this section may utilize assistance under the housing trust fund pursuant to RCW 43.185.050 to acquire or build shelter. Any application for assistance under this section must receive priority.

NEW SECTION. **Sec.**  A new section is added to chapter 36.70A RCW to read as follows:

(1) Each county that is required or chooses to plan under RCW 36.70A.040, and each city within such county, that purchases a hotel, as defined in RCW 19.48.010, with public funds for purposes of providing emergency housing or emergency shelter must limit the use and occupancy of such housing and shelters to the following:

(a) Persons with disabilities experiencing homelessness;

(b) Families experiencing homelessness including, but not limited to, pregnant women;

(c) Persons aged 60 years or more experiencing homelessness; or

(d) Other persons subject to the following conditions:

(i) Payment of no more than 30 percent of their annual median income toward rent or providing at least 24 hours of community service; and

(ii) Stays are limited for no longer than 90 days except between November and February.

(2) Each planning county and each city within such county must provide employment, mental health, drug counseling service, and job training opportunities and services at each emergency housing and shelter described under subsection (1) of this section.

NEW SECTION. **Sec.**  (1) The department of commerce must convene a work group to make recommendations on the creation of a statewide registration program for the purpose of registering persons experiencing homelessness who take advantage of housing, substance abuse treatment, mental health, or employment services.

(2) The work group must include relevant stakeholders including, but not limited to, homeless rights representatives, service provider representatives, and representatives from cities and counties.

(3) The work group must meet at least three times and evaluate the following:

(a) How to collect, organize, and protect demographic information;

(b) Which information should be collected and made disclosable in a database accessible by service providers;

(c) The need to implement a registration requirement over time and across specific state regions, and challenges in identifying persons who travel from region to region;

(d) Which types of persons experiencing homelessness should be exempted from a statewide registration requirement;

(e) The use of a statewide registration program database to prioritize provision of services to persons most likely to benefit;

(f) The feasibility of requiring service providers to report participation data as part of such a registration program;

(g) How to collect data regarding the number of persons:

(i) With mental health disorders who are offered services and accept or decline such services;

(ii) With substance abuse disorders who are offered sobriety programs and accept or decline such program services;

(iii) Offered employment services and who accept or decline such services; and

(iv) With active warrants and probation requirements and the outcome of contact with services; and

(h) Any other relevant factors or considerations discussed by the work group.

(4) The department of commerce must issue a final report, including any work group findings and recommendations, to the appropriate committees of the legislature by December 1, 2022.

(5) This section expires January 1, 2023.

NEW SECTION. **Sec.**  (1) This section is the tax preference performance statement for the tax preferences contained in sections 8 and 9, chapter . . ., Laws of 2022 (sections 8 and 9 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes these tax preferences as ones intended to induce certain designated behavior by taxpayers and create or retain jobs, as indicated in RCW 82.32.808(2) (a) and (c).

(3) It is the legislature's specific public policy objective to encourage the employment of certain unemployed persons, such as persons convicted of a felony and homeless persons. It is the legislature's intent to provide employers a credit against the business and occupation tax or public utility tax for hiring certain unemployed persons which would reduce an employer's tax burden thereby inducing employers to hire and create jobs for such persons. Pursuant to chapter 43.136 RCW, the joint legislative audit and review committee must review the business and occupation tax and public utility tax credit established under sections 8 and 9, chapter . . ., Laws of 2022 (sections 8 and 9 of this act) by December 31, 2031.

(4) If a review finds that the number of unemployed persons who meet the criteria in section 8(7)(c)(i) or 9(7)(c)(i) of this act decreased by 30 percent, then the legislature intends for the legislative auditor to recommend extending the expiration date of the tax preference.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee should refer to unemployment rates available from the employment security department and the bureau of labor statistics.

NEW SECTION. **Sec.**  A new section is added to chapter 82.04 RCW to read as follows:

(1) A person is allowed a credit against the tax due under this chapter as provided in this section. The credit equals the lesser of 10 percent or $500 of wages and benefits paid to or on behalf of a qualifying employee, with a maximum of a $500 credit for each qualifying employee hired on or after October 1, 2022.

(2) No credit may be claimed under this section until a qualifying employee has been employed for at least three consecutive full calendar quarters.

(3) Unused credit may be carried over and used in subsequent tax reporting periods, except as provided in subsection (8) of this section. No refunds may be granted for credits under this section.

(4) If an employer discharges a qualifying employee for whom the employer has claimed a credit under this section, the employer may not claim a new credit under this section for a period of one year from the date the qualifying employee was discharged. However, this subsection (4) does not apply if the qualifying employee was discharged for misconduct, as defined in RCW 50.04.294, connected with his or her work or discharged due to a felony or gross misdemeanor conviction, and the employer contemporaneously documents the reason for discharge.

(5) Credits earned under this section may be claimed only on returns filed electronically with the department using the department's online tax filing service or other method of electronic reporting as the department may authorize. No application is required to claim the credit, but the taxpayer must keep records necessary for the department to determine eligibility under this section including records establishing the person's status as a qualifying employee under subsection (7)(c)(i) and (ii) of this section when hired by the taxpayer.

(6) No person may claim a credit against taxes due under both this chapter and chapter 82.16 RCW for the same qualifying employee.

(7) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Homeless person" has the same meaning as provided in RCW 43.185C.010.

(b) "Person convicted of a felony" means a person, including a juvenile as defined in RCW 13.40.020, convicted of a felony under state or federal statute who is hired within one calendar year after the last date that the person was convicted or released from a juvenile rehabilitation facility or prison.

(c) "Qualifying employee" means a person who meets all of the following requirements:

(i) Is a homeless person or a person convicted of a felony;

(ii) Was unemployed as defined in RCW 50.04.310 for at least 30 days immediately preceding the date that the person was hired by the person claiming the credit under this section; and

(iii) Is employed in a permanent full-time position for at least three consecutive full calendar quarters by the person claiming the credit under this section. For seasonal employers, "qualifying employee" also includes the equivalent of a full-time employee in work hours for two consecutive full calendar quarters. For purposes of this subsection (7)(c)(iii), "full-time" means a normal workweek of at least 35 hours.

(8) Credits allowed under this section can be earned for tax reporting periods through June 30, 2031. No credits can be claimed after June 30, 2032.

(9) This section expires July 1, 2032.

NEW SECTION. **Sec.**  A new section is added to chapter 82.16 RCW to read as follows:

(1) A person is allowed a credit against the tax due under this chapter as provided in this section. The credit equals the lesser of 10 percent or $500 of wages and benefits paid to or on behalf of a qualifying employee, with a maximum of a $500 credit for each qualifying employee hired on or after October 1, 2022.

(2) No credit may be claimed under this section until a qualifying employee has been employed for at least three consecutive full calendar quarters.

(3) Unused credit may be carried over and used in subsequent tax reporting periods, except as provided in subsection (8) of this section. No refunds may be granted for credits under this section.

(4) If an employer discharges a qualifying employee for whom the employer has claimed a credit under this section, the employer may not claim a new credit under this section for a period of one year from the date the qualifying employee was discharged. However, this subsection (4) does not apply if the qualifying employee was discharged for misconduct, as defined in RCW 50.04.294, connected with his or her work or discharged due to a felony or gross misdemeanor conviction, and the employer contemporaneously documents the reason for discharge.

(5) Credits earned under this section may be claimed only on returns filed electronically with the department using the department's online tax filing service or other method of electronic reporting as the department may authorize. No application is required to claim the credit, but the taxpayer must keep records necessary for the department to determine eligibility under this section including records establishing the person's status as a qualifying employee under subsection (7)(c)(i) and (ii) of this section when hired by the taxpayer.

(6) No person may claim a credit against taxes due under both chapter 82.04 RCW and this chapter for the same qualifying employee.

(7) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Homeless person" has the same meaning as provided in RCW 43.185C.010.

(b) "Person convicted of a felony" means a person, including a juvenile as defined in RCW 13.40.020, convicted of a felony under state or federal statute who is hired within one calendar year after the last date that the person was convicted or released from a juvenile rehabilitation facility or prison.

(c) "Qualifying employee" means a person who meets all of the following requirements:

(i) Is a homeless person or a person convicted of a felony;

(ii) Was unemployed as defined in RCW 50.04.310 for at least 30 days immediately preceding the date that the person was hired by the person claiming the credit under this section; and

(iii) Is employed in a permanent full-time position for at least three consecutive full calendar quarters by the person claiming the credit under this section. For seasonal employers, "qualifying employee" also includes the equivalent of a full-time employee in work hours for two consecutive full calendar quarters. For purposes of this subsection (7)(c)(iii), "full-time " means a normal workweek of at least 35 hours.

(8) Credits allowed under this section can be earned for tax reporting periods through June 30, 2031. No credits can be claimed after June 30, 2032.

(9) This section expires July 1, 2032.

NEW SECTION. **Sec.**  (1) The department of commerce must establish a pilot program for cities to provide job opportunities to and hire persons experiencing homelessness for the purposes of local beautification projects. The pilot program must include three cities, two on the west side and one on the east side of the Cascade mountain range. The cities selected are strongly encouraged to administer their programs during the summer months.

(2) Persons experiencing homelessness who are hired under this pilot program must be paid at least the local minimum wage and be connected with organizations that provide wraparound housing services.

(3) The pilot program expires July 1, 2025. The cities selected to participate in the pilot program must provide a report to the appropriate committees of the legislature by December 1, 2025, that includes at least the following information: The number of persons experiencing homelessness hired during the pilot program, the number of such persons connected with wraparound housing services, strategies for hiring persons experiencing homelessness for other local projects, and any legislative recommendations.

(4) Persons experiencing homelessness who are hired under this pilot program are not considered state employees. Other provisions of law relating to civil service, hours of work, rate of compensation, sick leave, unemployment compensation, state retirement plans, and vacation leave do not apply to this pilot program, except for project supervisors, who must be city employees, and other administrative and supervisory personnel.

(5) The pilot program is considered an unemployment work-relief or work-training program as provided in RCW 50.44.040(4) and, as such, the services of persons experiencing homelessness under this pilot program are excluded from the term "unemployment" and unemployment compensation coverage. The department of commerce must advise the cities selected under the pilot program to notify such persons hired under the pilot program of this exclusion.

(6) For purposes of this section, "persons experiencing homelessness" means individuals living outside or in a building not meant for human habitation or which they have no legal right to occupy, in an emergency shelter, or in a temporary housing program that may include a transitional and supportive housing program if habitation time limits exist.

(7) This section expires January 1, 2027."

**2SSB 5662** - S AMD **1107**

By Senator Fortunato

**NOT ADOPTED 02/14/2022**

On page 1, line 3 of the title, after "solutions;" strike the remainder of the title and insert "adding a new section to chapter 43.20A RCW; adding a new section to chapter 43.185C RCW; adding a new section to chapter 36.01 RCW; adding a new section to chapter 36.70A RCW; adding a new section to chapter 82.04 RCW; adding a new section to chapter 82.16 RCW; creating new sections; and providing expiration dates."

EFFECT: (1) Restores the original version of the bill while requiring rental assistance to be provided with the new Department of Commerce grants.

(2) Directs cities and counties to provide shelter space and services to persons experiencing homelessness and prioritizes the use of hotels as shelter space.

(3) Directs a work group to create a registry program for persons experiencing homelessness to collect data regarding the effectiveness of services.

(4) Provides a tax credit incentive for the hiring of hard to place persons.

(5) Directs Commerce to create a pilot project for cities to provide job opportunities for persons experiencing homelessness.