

SENATE BILL REPORT

SB 6651

As Reported by Senate Committee On:
Financial Institutions, Economic Development & Trade, February 6, 2020

Title: An act relating to preventing the local prohibition of tenant evictions for any period of time.

Brief Description: Preventing the local prohibition of tenant evictions for any period of time.
[Revised for 1st Substitute: Preventing the local prohibition of uncompensated tenant evictions for any period of time.]

Sponsors: Senator Fortunato.

Brief History:

Committee Activity: Financial Institutions, Economic Development & Trade: 2/04/20, 2/06/20 [DPS, w/oRec, DNP].

Brief Summary of First Substitute Bill

- Prohibits cities and counties from enacting ordinances that would disallow evictions of tenants by landlords for any period of time unless the landlord is compensated for the cost of rent.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

Majority Report: That Substitute Senate Bill No. 6651 be substituted therefor, and the substitute bill do pass.

Signed by Senators Mullet, Chair; Wilson, L., Ranking Member; Braun, Ericksen and Hobbs.

Minority Report: That it be referred without recommendation.

Signed by Senator Hasegawa, Vice Chair.

Minority Report: Do not pass.

Signed by Senator Das.

Staff: Kellee Gunn (786-7429)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: Residential landlord-tenant relationships in Washington State are governed by the Residential Landlord-Tenant Act (RLTA). The RLTA establishes rights and duties of both tenants and landlords, procedures for the parties to enforce their rights, and remedies for violations. The relationship between the owner of a mobile home park (landlord) and the owner of the mobile home (tenant) is governed under the Manufactured/Mobile Home Landlord-Tenant Act (MHLTA). The MHLTA similarly establishes rights and duties of both tenants and landlords, procedures for the parties to enforce their rights, and remedies for violations.

Various federal and state laws further govern the screening and rental process for all landlords and tenants. Local governments may enforce other requirements related to the landlord-tenant relationship.

Summary of Bill (First Substitute): Cities and counties may not enact ordinances that prohibit, for any period of time, evictions of tenants by landlords in a single-family, multifamily residential rental unit, or manufactured/mobile home community unless compensation of rent is provided to the landlord.

EFFECT OF CHANGES MADE BY FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE COMMITTEE (First Substitute):

- Requires cities and counties to compensate the landlord for rent if they impose an ordinance that prohibits evictions for any period of time.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The Legislature has been doing a lot about landlord and tenant relationships recently. The City of Seattle's current proposal to have people not pay rent during the winter months would make it impossible for landlords to pay their mortgages and taxes. In this bill, the state would preempt cities and counties on eviction bans. The committee should understand that there are over 600,000 rental units in Seattle and of that there are only 50 or 60 removals a month. The notion that 87 percent of those people who are evicted end up homeless is not true. It is important to understand that these evictions are manageable. The Mariners gifted money to the City of Seattle to take care of this problem. The problem with compensating landlords is that those funds would come from higher taxes, possibly on landlords. I own 4000 units in this state and we invest in class B and C housing properties. I believe in providing excellent housing. The eviction rules changed dramatically in July, which led to more issues related to evictions. When we cannot be flexible with the tenant, it results in more evictions. Allowing cities and counties to establish eviction bans may lead to people gaming the system. Investment in real estate housing is a common method for people to prepare for retirement. Taking out five months of

income means that asset is lost. Most people only make about 10 percent of profit per month, and so there is not much cushion if a person cannot collect rent. Landlords are leaving the market because of costs related to these kinds of policies. When landlords leave, that rental property goes off the market. We are short on rental housing. People are moving here in higher rates. Thurston County has a sub 3 percent vacancy rate. There is no rental stock left. This is because of decisions made at the state and local level. People need to consider whether a decision will lead to more or less housing. We have a housing crisis because we are not focused on building housing.

Persons Testifying: PRO: Senator Phil Fortunato, Prime Sponsor; Karl Neiders, Seattle For Growth; Roger Valdez, Seattle For Growth; Chester Baldwin, Washington Landlord Association.

Persons Signed In To Testify But Not Testifying: No one.