

2SSB 5662 - S AMD 1107

By Senator Fortunato

NOT ADOPTED 02/14/2022

1 Strike everything after the enacting clause and insert the
2 following:

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

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

21 (b) Furthermore, the legislature intends that local jurisdictions
22 and providers engage persons experiencing homelessness with teams of
23 multidisciplinary experts focused on trauma-informed care and
24 provision of services with the goal of transitioning persons
25 experiencing homelessness into permanent housing solutions. The
26 legislature further intends that every effort must be made to avoid
27 furthering existing trauma to persons experiencing homelessness by
28 causing displacement that does not result in a transition to
29 permanent housing. To that end, the legislature intends that a
30 multidisciplinary team within state government be established to
31 coordinate across state agencies, and collaborate with local

1 governments, nonprofit organizations, and persons encamped on state
2 rights-of-way to find housing solutions.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.20A
4 RCW to read as follows:

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

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

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

22 (4) The office shall establish:

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

35 (b) Regional outreach teams charged with outreach with the
36 homeless population. Each team will include state, local, and private
37 partners in addition to a core team from the department. Outreach
38 teams are part of an intergovernmental team for initial assessment to
39 identify and target individual needs, such as medical issues and

1 treatment, mental health treatment, acquisition of medication,
2 identification acquisition (such as birth certificates and social
3 security cards), poly-substance abuse treatment, housing needs, need
4 for immediate sheltering, need for social services (including
5 supplemental nutrition assistance program benefits, women, infants,
6 and children benefits, supplemental security income acquisition,
7 medicaid, medicare, and social security benefits), and reengagement
8 with family and relatives; and

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

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.185C
19 RCW to read as follows:

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

33 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.01
34 RCW to read as follows:

35 (1)(a) In coordination with the office of intergovernmental
36 coordination on public right-of-way homeless encampments created in
37 section 2 of this act, every county and each city with a population
38 over 50,000 must establish and operate at least one emergency

1 overnight shelter site in its respective jurisdiction. Counties and
2 each eligible city within the county's geographic boundary must
3 coordinate to ensure that there are enough cumulative shelter beds to
4 accommodate, at a minimum, the sheltered and unsheltered portions of
5 the county's most recent point-in-time homeless count.

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

17 (2) Any county or city establishing a shelter under this section
18 may utilize assistance under the housing trust fund pursuant to RCW
19 43.185.050 to acquire or build shelter. Any application for
20 assistance under this section must receive priority.

21 NEW SECTION. **Sec. 5.** A new section is added to chapter 36.70A
22 RCW to read as follows:

23 (1) Each county that is required or chooses to plan under RCW
24 36.70A.040, and each city within such county, that purchases a hotel,
25 as defined in RCW 19.48.010, with public funds for purposes of
26 providing emergency housing or emergency shelter must limit the use
27 and occupancy of such housing and shelters to the following:

28 (a) Persons with disabilities experiencing homelessness;

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

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

32 (d) Other persons subject to the following conditions:

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

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

38 (2) Each planning county and each city within such county must
39 provide employment, mental health, drug counseling service, and job

1 training opportunities and services at each emergency housing and
2 shelter described under subsection (1) of this section.

3 NEW SECTION. **Sec. 6.** (1) The department of commerce must
4 convene a work group to make recommendations on the creation of a
5 statewide registration program for the purpose of registering persons
6 experiencing homelessness who take advantage of housing, substance
7 abuse treatment, mental health, or employment services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (5) This section expires January 1, 2023.

2 NEW SECTION. **Sec. 7.** (1) This section is the tax preference
3 performance statement for the tax preferences contained in sections 8
4 and 9, chapter . . ., Laws of 2022 (sections 8 and 9 of this act).
5 This performance statement is only intended to be used for subsequent
6 evaluation of the tax preference. It is not intended to create a
7 private right of action by any party or be used to determine
8 eligibility for preferential tax treatment.

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

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

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

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

34 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.04
35 RCW to read as follows:

36 (1) A person is allowed a credit against the tax due under this
37 chapter as provided in this section. The credit equals the lesser of
38 10 percent or \$500 of wages and benefits paid to or on behalf of a

1 qualifying employee, with a maximum of a \$500 credit for each
2 qualifying employee hired on or after October 1, 2022.

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

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

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

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

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

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

31 (a) "Homeless person" has the same meaning as provided in RCW
32 43.185C.010.

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

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

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

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

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

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

14 (9) This section expires July 1, 2032.

15 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.16
16 RCW to read as follows:

17 (1) A person is allowed a credit against the tax due under this
18 chapter as provided in this section. The credit equals the lesser of
19 10 percent or \$500 of wages and benefits paid to or on behalf of a
20 qualifying employee, with a maximum of a \$500 credit for each
21 qualifying employee hired on or after October 1, 2022.

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

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

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

37 (5) Credits earned under this section may be claimed only on
38 returns filed electronically with the department using the
39 department's online tax filing service or other method of electronic

1 reporting as the department may authorize. No application is required
2 to claim the credit, but the taxpayer must keep records necessary for
3 the department to determine eligibility under this section including
4 records establishing the person's status as a qualifying employee
5 under subsection (7)(c)(i) and (ii) of this section when hired by the
6 taxpayer.

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

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

11 (a) "Homeless person" has the same meaning as provided in RCW
12 43.185C.010.

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

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

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

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

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

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

34 (9) This section expires July 1, 2032.

35 NEW SECTION. **Sec. 10.** (1) The department of commerce must
36 establish a pilot program for cities to provide job opportunities to
37 and hire persons experiencing homelessness for the purposes of local
38 beautification projects. The pilot program must include three cities,
39 two on the west side and one on the east side of the Cascade mountain

1 range. The cities selected are strongly encouraged to administer
2 their programs during the summer months.

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

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

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

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

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

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

NOT ADOPTED 02/14/2022

1 On page 1, line 3 of the title, after "solutions;" strike the
2 remainder of the title and insert "adding a new section to chapter
3 43.20A RCW; adding a new section to chapter 43.185C RCW; adding a new
4 section to chapter 36.01 RCW; adding a new section to chapter 36.70A
5 RCW; adding a new section to chapter 82.04 RCW; adding a new section
6 to chapter 82.16 RCW; creating new sections; and providing expiration
7 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.

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