
SENATE BILL 5156

State of Washington

67th Legislature

2021 Regular Session

By Senators Rolfes, Conway, Das, Dhingra, Frockt, Kuderer, Lias, Nobles, Randall, Saldaña, and Wilson, C.; by request of Office of Financial Management

Read first time 01/12/21. Referred to Committee on Ways & Means.

1 AN ACT Relating to making expenditures from the budget
2 stabilization account to address issues of homelessness, home
3 security, and economic impacts of the COVID-19 pandemic on small
4 businesses; amending RCW 43.185C.060; creating a new section; making
5 appropriations; and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature finds that the COVID-19
8 pandemic has created significant economic consequences for people,
9 businesses, and communities across the state. Prior to the pandemic,
10 approximately 250,000 households in Washington struggled to pay rent.
11 According to the United States census bureau, nearly 75,000
12 households are not current on rent or mortgage payments and could
13 face eviction or foreclosure in the near future. Small businesses
14 have struggled to remain operational under necessary public health
15 measures, especially those in hardest-hit industries such as
16 restaurants and event venues.

17 To address these serious impacts, a total of \$315,000,000 has
18 been allocated to the department of commerce from the federal
19 coronavirus aid, relief, and economic security act for rent
20 assistance and small business and nonprofit assistance. However, as

1 the pandemic endures, additional relief will be necessary to prevent
2 future evictions and business closures.

3 This act appropriates \$200,000,000 from the budget stabilization
4 account to address the immediate financial crises of households and
5 small businesses. The intent of the appropriations is to prevent
6 future evictions due to nonpayment of rent and to keep businesses in
7 operation, especially those that have been impacted by recent public
8 health restrictions or that have experienced significant, cumulative
9 economic impacts. The amounts appropriated will be provided to the
10 department of commerce for a rental assistance program and a small
11 business assistance grant program.

12 NEW SECTION. **Sec. 2.** FOR THE OFFICE OF FINANCIAL MANAGEMENT—
13 HOME SECURITY FUND ACCOUNT. The sum of \$100,000,000 is appropriated
14 from the budget stabilization account for the fiscal year ending June
15 30, 2021. The appropriation is provided solely for expenditure into
16 the home security fund account, and is provided solely for a rental
17 assistance program, as provided in section 3 of this act.

18 NEW SECTION. **Sec. 3.** FOR THE DEPARTMENT OF COMMERCE—RENTAL
19 ASSISTANCE. The sum of \$100,000,000 is appropriated from the home
20 security fund account to the department of commerce for the fiscal
21 biennium ending June 30, 2021. The appropriation in this section is
22 provided solely for the department to administer rental assistance.
23 To be eligible for the program, applicants must, at a minimum, have
24 an income at or below 80 percent of the area median income, and have
25 a missed or partially paid rent payment. Rental payments made through
26 the program will be provided directly to landlords. The department
27 may determine additional eligibility criteria in order to target
28 these resources to households most likely to become homeless if they
29 do not receive rental assistance.

30 NEW SECTION. **Sec. 4.** FOR THE OFFICE OF FINANCIAL MANAGEMENT—
31 ECONOMIC DEVELOPMENT STRATEGIC RESERVE ACCOUNT. The sum of
32 \$100,000,000 is appropriated from the budget stabilization account
33 for the fiscal year ending June 30, 2021. The appropriation in this
34 section is provided solely for expenditure into the economic
35 development strategic reserve account and is provided solely for
36 business assistance as provided in section 5 of this act.

1 NEW SECTION. **Sec. 5.** FOR THE DEPARTMENT OF COMMERCE—BUSINESS
2 ASSISTANCE. The sum of \$100,000,000 is appropriated from the economic
3 development strategic reserve account to the department of commerce
4 for the fiscal biennium ending June 30, 2021. The appropriation in
5 this section is provided solely for business assistance grants, and
6 is subject to the following conditions and limitations:

7 (1) Expenditures from the account may be made to prevent closure
8 of a business or facility.

9 (2) Grant funding will be prioritized for small businesses with
10 annual revenues of \$5,000,000 or less, and for businesses in sectors
11 that have experienced significant impacts as a result of public
12 health measures.

13 (3) Nonprofit entities may be eligible for grant funding if they
14 meet eligibility criteria similar to those in subsection (2) of this
15 section.

16 **Sec. 6.** RCW 43.185C.060 and 2020 c 357 s 915 are each amended to
17 read as follows:

18 (1) The home security fund account is created in the state
19 treasury, subject to appropriation. The state's portion of the
20 surcharge established in RCW 36.22.179 and 36.22.1791 must be
21 deposited in the account. Expenditures from the account may be used
22 only for homeless housing programs as described in this chapter.

23 (2) The department must distinguish allotments from the account
24 made to carry out the activities in RCW 43.330.167, 43.330.700
25 through 43.330.715, 43.330.911, 43.185C.010, 43.185C.250 through
26 43.185C.320, and 36.22.179(1) (b) .

27 (3) The office of financial management must secure an independent
28 expenditure review of state funds received under RCW 36.22.179(1) (b)
29 on a biennial basis. The purpose of the review is to assess the
30 consistency in achieving policy priorities within the private market
31 rental housing segment for housing persons experiencing homelessness.
32 The independent reviewer must notify the department and the office of
33 financial management of its findings. The first biennial expenditure
34 review, for the 2017-2019 fiscal biennium, is due February 1, 2020.
35 Independent reviews conducted thereafter are due February 1st of each
36 even-numbered year.

37 (4) During the 2019-2021 fiscal biennium, expenditures from the
38 account may also be used for shelter capacity grants.

1 (5) During the 2019-2021 fiscal biennium, expenditures from the
2 account may also be used for a rental assistance program.

3 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of
5 the state government and its existing public institutions, and takes
6 effect immediately.

--- END ---