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**HOUSE BILL 2033**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Representatives Cheney, Hutchins, Couture, Waters, Connors, Barkis, Christian, Klicker, Barnard, Graham, and Jacobsen

AN ACT Relating to creating a rent relief incentive program; adding a new section to chapter 43.31 RCW; creating a new section; and providing an expiration date.

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

NEW SECTION. **Sec.**  The legislature finds that both landlords and tenants have been impacted by the increasing costs of maintaining and operating rental housing. The legislature further finds that increasing state property taxes contribute to these rising costs and adversely affect the ability of all Washingtonians, particularly low-income and middle-income households, in obtaining safe, decent, and affordable housing. The legislature also finds that the state lacks adequate support for low-income and middle-income families seeking affordable housing and that it is in the public interest to provide resources for these households. Therefore, the legislature intends to mitigate the impact of property taxes by offering a credit, in the form of an incentive grant program, to landlords who voluntarily agree to maintain or reduce rents for their tenants, and to use a percentage of the total rent paid as a proxy for the amount of state property tax paid by a landlord.

NEW SECTION. **Sec.**  A new section is added to chapter 43.31 RCW to read as follows:

(1) The rent relief incentive program is created as a grant program administered by the department of commerce. The department shall have such rule-making authority as the department deems necessary to administer the program.

(2) Beginning January 1, 2025, and each January 1st thereafter, a landlord meeting the conditions of this section may apply to the department for an incentive under this section based on the total amount of rent owed for all qualifying rental units under subsections (3) and (4) of this section.

(3) To be eligible for an incentive, a landlord must:

(a) Be the property owner of record of at least one of the following:

(i) A dwelling unit occupied by a tenant or tenants in this state as those terms are defined in RCW 59.18.030; or

(ii) A manufactured/mobile home community as defined in RCW 59.20.030;

(b) Offer dwelling units at a rental amount that does not exceed 200 percent of fair market rent as calculated by the United States department of housing and urban development;

(c) Commit to executing all new rental agreements and rental agreement renewals for the calendar year in which the incentive application is submitted at a rental amount that does not exceed the rental amount on December 31st of the previous year; and

(d) Apply to the department for an incentive.

(4) A landlord approved by the department is eligible for an incentive in the following amounts:

(a) For landlords offering no increase in the rental amount for new rental agreements or rental agreement renewals, an incentive equal to two percent of the annual rent owed for each dwelling unit;

(b) For landlords offering a three percent decrease in rent for new rental agreements or rental agreement renewals, an incentive equal to four percent of the annual rent owed for each dwelling unit; and

(c) For landlords offering a seven percent decrease in rent for new rental agreements or rental agreement renewals, an incentive equal to seven percent of the annual rent owed for each dwelling unit.

(5) Incentive payments are subject to appropriation. The department must approve applications on a first-come, first-served basis.

(6) Landlords seeking incentive payments under this section must submit records necessary for the department to determine eligibility including signed and dated copies of rental agreements for each dwelling unit and an attestation of program participation signed by both the landlord and the tenant.

(7) If a landlord fails to comply with the incentive program requirements, the full amount of all incentives received by the landlord is due and is required to be paid to the state treasurer within 30 days of the department notifying the landlord of ineligibility.

(8) Beginning June 30, 2026, the department must prepare and publish on its website an annual report summarizing the number of landlords receiving an incentive, the number of dwelling units for which a landlord received an incentive, and the total amount of annual incentives paid to landlords.

(9) The joint legislative audit and review committee must complete a review of the impact of the rent relief incentive program on statewide rents and the relief provided to landlords and tenants and report its findings to the appropriate committees of the legislature by December 1, 2034.

(10) This section expires June 30, 2036.

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