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**SUBSTITUTE SENATE BILL 5060**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Senate Housing (originally sponsored by Senators Kuderer, Trudeau, Dhingra, Frame, Keiser, Nguyen, Nobles, Randall, Robinson, and Wellman)

AN ACT Relating to the registration of rental and vacant housing units; reenacting and amending RCW 43.79A.040; and adding a new chapter to Title 59 RCW.

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

NEW SECTION. **Sec.**  The legislature finds that the lack of sufficient affordable housing inventory, specifically rental housing, is deeply felt statewide. To accurately track and maintain the level of rental housing in this state, the legislature intends with this act to require the registration of rental and vacant properties.

NEW SECTION. **Sec.**  The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Department" means the department of commerce.

(2) "Director" means the director of the department of commerce.

(3) "Housing unit" means any structure or part of a structure that is used or may be used by one or more persons as a home, residence, dwelling, or sleeping place including, but not limited to, single-family residences, duplexes, triplexes, and fourplexes; multifamily units, apartment units, condominium units, rooming-house units, microdwelling units, housekeeping units, single-room occupancy units, and accessory dwelling units; mobile homes; short-term rentals that are not owner occupied or the owner's primary residence upon listing of unit; and any other structure having similar living accommodations.

(4) "Mobile home" means a manufactured home or a mobile home as in RCW 59.20.030.

(5) "Owner" has the same meaning as in RCW 59.18.030.

(6) "Rental housing unit" means a housing unit that is or may be available for rent, or is occupied or rented by a tenant or subtenant in exchange for any form of consideration.

(7) "Short-term rental" has the same meaning as in RCW 64.37.010.

(8) "Vacant housing unit" means a housing unit that is not a principal residence of the owner, the owner's family member or friend, or other permitted occupier for at least six months of the calendar year; or is not rented for residential purposes for at least six months of the calendar year, in periods of 30 or more consecutive days.

NEW SECTION. **Sec.**  (1) Except as provided in section 5 of this act, in cities with populations of 130,000 or more:

(a) All rental housing units must be registered with the department every two years when:

(i) A tenant occupies the rental housing unit; or

(ii) The rental housing unit is made available or listed as a rental housing unit;

(b) All vacant housing units must be registered with the department every two years.

(2) Monthly rental rates for rental housing units under subsection (1)(a) of this section must also be reported to the department at the time of registration.

(3) The registration fee for each initial rental housing unit or vacant housing unit is $70, plus a fee of $15 for each additional unit. Fee revenue must be deposited into the rental property registration account created in section 4 of this act.

(4)(a) The current registration information for a rental housing unit or vacant housing unit must be updated within 60 days after the sale is closed on the rental housing unit or vacant housing unit.

(b) Any change in information contained in an initial or renewal registration application must be updated within 60 days.

(c) The department may deny or revoke a rental housing unit registration based on a failure to comply with this subsection (4).

(5) The department must create and maintain a website that tracks and discloses statewide rental and vacant housing unit inventory in real time as well as reported monthly rental rate data. The department must also provide landlords who manage or own four or fewer rental housing units with resources or information regarding rental assistance programming.

NEW SECTION. **Sec.**  The rental property registration account is created in the custody of the state treasurer. All receipts from section 3(3) of this act must be deposited into the account. Expenditures from the account may be used only for: Programs that provide legal representation in eviction cases; distributions to local governments to assist in inspections of rental housing units; and administration purposes. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. **Sec.**  (1) The registration requirements under section 3 of this act do not apply to the following housing units:

(a) A housing unit lawfully used as a short-term rental that is the primary residence of the rental owner;

(b) A housing unit rented for less than one year because the property owner, who lives in the unit, takes a work-related leave of absence or assignment that temporarily transfers them to another location;

(c) A room for rent in an owner-occupied home;

(d) A housing unit in hotels, motels, inns, bed and breakfasts, or in similar accommodations that provide lodging for guests;

(e) A housing unit in facilities licensed or required to be licensed under chapter 18.20, 70.128, or 72.36 RCW;

(f) A housing unit in any state licensed hospital, hospice, community care facility, intermediate care facility, or nursing home;

(g) A housing unit in any convent, monastery, or other facility occupied exclusively by members of a religious order or congregation;

(h) Emergency or temporary shelter or transitional housing accommodations;

(i) A housing unit owned, operated, or managed by a major educational or medical institution or by a third party for the institution; and

(j) A housing unit owned, operated, or managed by a government entity or housing authority, or unit exempted from municipal regulation by federal, state, or local law.

(2) Any property owner with a rental housing unit within a city with a population of at least 700,000 that administers a rental property registration program or within a city that requires residential landlords to obtain a business license is not subject to the registration requirement under section 3(1)(a) of this act or the applicable fee requirements under this chapter; however, the local jurisdiction or agency that administers such city's rental property registration program or landlord licensing program must report program data to the department monthly.

NEW SECTION. **Sec.**  The owner of a rental housing unit may not end a tenancy or evict a tenant from the rental housing unit under RCW 59.18.650, except for the cause listed under RCW 59.18.650(2)(c), unless the unit is registered under this chapter.

NEW SECTION. **Sec.**  The department may adopt any rules necessary to implement this chapter.

**Sec.**  RCW 43.79A.040 and 2022 c 244 s 3, 2022 c 206 s 8, 2022 c 183 s 16, and 2022 c 162 s 6 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

(2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments must occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Rosa Franklin legislative internship program scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the Washington career and college pathways innovation challenge program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the behavioral health loan repayment program account, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the county road administration board emergency loan account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the energy facility site evaluation council account, the fair fund, the family and medical leave insurance account, the fish and wildlife federal lands revolving account, the natural resources federal lands revolving account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the educator conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the Washington history day account, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the produce railcar pool account, the public use general aviation airport loan revolving account, the regional transportation investment district account, the rental property registration account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state library-archives building account, the reduced cigarette ignition propensity account, the center for deaf and hard of hearing youth account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, the school employees' benefits board insurance reserve fund, the public employees' and retirees' insurance account, the school employees' insurance account, the long-term services and supports trust account, the radiation perpetual maintenance fund, the Indian health improvement reinvestment account, the department of licensing tuition recovery trust fund, the student achievement council tuition recovery trust fund, the tuition recovery trust fund, the Washington student loan account, the industrial insurance premium refund account, the mobile home park relocation fund, the natural resources deposit fund, the Washington state health insurance pool account, the federal forest revolving account, and the library operations account.

(c) The following accounts and funds must receive 80 percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advance right-of-way revolving fund, the advanced environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. **Sec.**  Sections 1 through 7 of this act constitute a new chapter in Title 59 RCW.

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