

**2SSB 5496 - S AMD 154**  
By Senator Alvarado

**NOT CONSIDERED 04/27/2025**

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that Washington  
4 state is in a housing crisis, with few homes on the market that are  
5 affordable to families of moderate incomes. The legislature has taken  
6 steps in recent years to boost the state's housing supply through  
7 grants and incentive programs, permitting reform, and increasing  
8 density in certain land use zones. However, the state has seen the  
9 average home price in Washington rise 55 percent between 2018 to  
10 2021. During roughly the same time period, the change in share of  
11 homes purchased by medium, large, and mega investors increased by 46  
12 percent. These types of investors currently own just over seven  
13 percent of the housing supply in Washington, locking out families  
14 from real estate ownership opportunities and the ability to develop  
15 intergenerational wealth. Therefore, the legislature intends to  
16 prohibit large investment and business entities from purchasing more  
17 of the state's existing stock of homes so that the affordable housing  
18 supply is available for purchase by residents and families.

19 NEW SECTION. **Sec. 2.** (1)(a) A business entity that has an  
20 interest in more than 100 single-family residential properties may  
21 not purchase, acquire, or otherwise obtain an interest in another  
22 single-family residential property.

23 (b) An investment entity may not purchase, acquire, or otherwise  
24 obtain an interest in a single-family residential property.

25 (2) For the purposes of this section:

26 (a) "Business entity" means any association, company, firm,  
27 partnership, corporation, limited liability company, limited  
28 liability partnership, or other legal entity, and that entity's  
29 successors, assignees, or affiliates. "Business entity" does not  
30 include an investment entity.

31 (b) "Investment entity" means:

1 (i) A real estate investment trust as defined by any state or  
2 federal statute; or

3 (ii) An entity that manages funds pooled from investors and owes  
4 a fiduciary to those investors.

5 (c) "Single-family residential property" means a residential  
6 structure that is:

7 (i) A fully detached or semidetached building, which may include  
8 one or more accessory dwelling units located within or attached to  
9 the building; or

10 (ii) A row home or townhome that is separated from any adjacent  
11 unit by a ground-to-roof wall, does not share heating or air  
12 conditioning systems or utilities, and does not have units located  
13 above or below.

14 (d) For the purposes of this subsection (2), "business entity"  
15 and "investment entity" do not include businesses regulated under  
16 state or federal banking or finance laws operating as commercial  
17 banks, bank holding companies, savings banks, trust companies,  
18 savings and loan associations, credit unions, mortgage lenders, or  
19 mortgage servicers.

20 (e) For the purposes of this subsection (2), "interest" does not  
21 include: (i) Mortgages; or (ii) ownership or any other interest  
22 obtained through foreclosure.

23 (f) Until July 1, 2028, for the purposes of this subsection (2),  
24 "interest" does not include home equity sharing products secured by a  
25 deed of trust.

26 (3) A business or investment entity is not subject to the  
27 prohibitions in subsection (1) of this section if the entity is:

28 (a) A nonprofit corporation or other nonprofit legal entity;

29 (b) Purchasing an existing single-family residential property and  
30 making modifications to the property that are necessary to achieve  
31 substantial compliance with existing building codes;

32 (c) Purchasing an existing single-family residential property to  
33 increase the number of residential units on the property, which may  
34 include single-family or multifamily units, only if the entity does  
35 not hold a single-family residential structure longer than five years  
36 without applying for building permits for the property;

37 (d) Acquiring an ownership interest in single-family residential  
38 property through the construction of new properties; or

1 (e) A business entity purchasing through foreclosure or otherwise  
2 acquiring a single-family residential property where the business  
3 entity is currently servicing a recorded loan on the property.

4 (4) The legislature finds that the practices covered by this  
5 section are matters vitally affecting the public interest for the  
6 purpose of applying the consumer protection act, chapter 19.86 RCW. A  
7 violation of this section is not reasonable in relation to the  
8 development and preservation of business and is an unfair or  
9 deceptive act in trade or commerce and an unfair method of  
10 competition for the purpose of applying the consumer protection act,  
11 chapter 19.86 RCW.

12 (5) A seller of a single-family residential property is not  
13 liable for any violation of this section.

14 (6) Real estate brokers licensed under chapter 18.85 RCW are not  
15 liable in any civil, administrative, or other proceeding for the  
16 failure of any seller, buyer, or other property owner to comply with  
17 the requirements of this section.

18 (7) Title insurers licensed under chapter 48.29 RCW are not  
19 liable in any civil, administrative, or other proceeding for the  
20 failure of any seller, buyer, or other property owner to comply with  
21 the requirements of this section.

22 **Sec. 3.** RCW 19.86.140 and 2024 c 256 s 2 are each amended to  
23 read as follows:

24 Every person who shall violate the terms of any injunction issued  
25 as in this chapter provided, shall forfeit and pay a civil penalty of  
26 not more than \$125,000.

27 Every person who violates RCW 19.86.030 or 19.86.040 shall pay a  
28 civil penalty of up to three times the unlawful gains or loss avoided  
29 as a result of each violation.

30 Every person who violates RCW 19.86.020 shall forfeit and pay a  
31 civil penalty of not more than \$7,500 for each violation: PROVIDED,  
32 That nothing in this paragraph shall apply to any radio or television  
33 broadcasting station which broadcasts, or to any publisher, printer  
34 or distributor of any newspaper, magazine, billboard or other  
35 advertising medium who publishes, prints or distributes, advertising  
36 in good faith without knowledge of its false, deceptive or misleading  
37 character.

38 Every person who violates section 2 of this act shall pay a civil  
39 penalty of not more than \$100,000 for each violation and sell the

1 property in violation to an independent third party within one year  
2 of the date that the court enters the judgment.

3 For unlawful acts or practices that target or impact specific  
4 individuals or communities based on demographic characteristics  
5 including, but not limited to, age, race, national origin,  
6 citizenship or immigration status, sex, sexual orientation, presence  
7 of any sensory, mental, or physical disability, religion, veteran  
8 status, or status as a member of the armed forces, as that term is  
9 defined in 10 U.S.C. Sec. 101, an enhanced penalty of \$5,000 shall  
10 apply.

11 For the purpose of this section the superior court issuing any  
12 injunction shall retain jurisdiction, and the cause shall be  
13 continued, and in such cases the attorney general acting in the name  
14 of the state may petition for the recovery of civil penalties.

15 With respect to violations of RCW 19.86.030 and 19.86.040, the  
16 attorney general, acting in the name of the state, may seek recovery  
17 of such penalties in a civil action.

18 By December 1, 2022, and every five years thereafter, the office  
19 of the attorney general shall evaluate the efficacy of the maximum  
20 civil penalty amounts established in this section in deterring  
21 violations of the consumer protection act and the difference, if any,  
22 between the current penalty amounts and the penalty amounts adjusted  
23 for inflation, and provide the legislature with a report of its  
24 findings and any recommendations in compliance with RCW 43.01.036.

25 NEW SECTION. **Sec. 4.** Section 2 of this act constitutes a new  
26 chapter in Title 19 RCW."

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27 On page 1, line 2 of the title, after "entities;" strike the  
28 remainder of the title and insert "amending RCW 19.86.140; adding a  
29 new chapter to Title 19 RCW; creating a new section; and prescribing  
30 penalties."

EFFECT: • Changes the number of single-family residential  
properties a business entity can have an interest in from 50 to 100.

- Title insurers licensed under chapter 48.29 RCW are not liable in any civil, administrative, or other proceeding for the failure of any seller, buyer, or other property owner to comply with this act.

- Adds home equity sharing products secured by a deed of trust to the list of products not included as prohibited interest in a single-family residential property with the exclusion set to expire on July 1, 2028.

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