SENATE BILL REPORT
SB 5580

As of February 4, 2025

Title: An act relating to the registration of certain corporations and trusts that own single-family homes and condominium units.

Brief Description: Concerning the registration of certain corporations and trusts that own single-family homes and condominium units.

Sponsors: Senators Orwall, Alvarado, Frame, Hasegawa, Lovelett, Nobles, Ramos, Saldaña, Shewmake, Trudeau, Valdez and Wilson, C..

Brief History:
Committee Activity: Housing: 2/07/25.

Brief Summary of Bill

- Establishes a Corporate Homeowner Registration Program at the Office of the Secretary of State.
- Creates the Corporate Homeowner Transparency Account in the custody of the state treasurer to administer funds related to the Corporate Homeowner Registration Program.

SENATE COMMITTEE ON HOUSING

Staff: Bill Fosbre (786-7531)

Background: Business entities in Washington State including associations, companies, firms, partnerships, corporations, limited liability companies, and limited liability partnerships are regulated by various state laws, which govern such things as registration, licensing, labor and tax requirements.

These business entities include real estate investment trusts (REITs), which are companies

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that own or finance income-producing real estate that may include residential or commercial real estate properties, or both. Most REITs trade on major stock exchanges and are regulated by federal securities laws, and under certain circumstances the Securities Act of Washington. REITs are also subject to regulations that cover other business entities.

The Office of the Secretary of State (OSOS) among other duties is responsible for registering private corporations and limited partnerships. Registration includes collecting information related to the name of the entity, agent name, principal office address, duration of the entity, and articles of incorporation or certificate of formation.

Summary of Bill: The Corporate Homeowner Registration Program is established within OSOS. Entities with an ownership interest in 20 or more applicable housing units in the state of Washington shall register with the Corporate Homeowner Registration Program and report contact information, number of units owned, property uses, purchase price, and a list of states and countries that the entity does business in to OSOS. The registration must be updated within 60 days after the sale is closed on any applicable housing units or if any information contained in the initial or renewal registration changes.

The following are exempted from the registration requirements:

- banks and financial institutions that have acquired housing units through foreclosure and possessed the unit for less than 24 months; and
- build to rent units.

The Corporate Homeowner Transparency Account (CHT Account) is created in the custody of the Office of the State Treasurer and is subject to allotment procedures, but an appropriation is not required for expenditures. The CHT Account may be used to administer the registration of entities that own or are divesting applicable housing units.

OSOS shall determine the Corporate Homeowner Registration Program registration fee by rule and may adopt other rules necessary to implement the act. The fee revenue must be deposited into the CHT Account.

Appropriation: None.

Fiscal Note: Requested on January 30, 2025.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.