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**HOUSE BILL 1732**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Representatives Thomas, Fosse, Simmons, Street, Berry, Kloba, Ryu, Parshley, Obras, Reed, Zahn, Ormsby, Cortes, Hill, Scott, Pollet, Macri, and Ramel

Read first time 01/30/25. Referred to Committee on Housing.

1 AN ACT Relating to preserving homeownership options by limiting  
2 excessive home buying by certain entities; amending RCW 19.86.140;  
3 adding a new chapter to Title 19 RCW; creating a new section; and  
4 prescribing penalties.

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

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

1        NEW SECTION.     **Sec. 2.**     (1)(a) A business entity that has an  
2 interest in more than 25 single-family residential properties may not  
3 purchase, acquire, or otherwise obtain an interest in another single-  
4 family residential property.

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

7        (2) For the purposes of this section:

8        (a) "Business entity" means any association, company, firm,  
9 partnership, corporation, limited liability company, limited  
10 liability partnership, or other legal entity, and that entity's  
11 successors, assignees, or affiliates. "Business entity" does not  
12 include an investment entity.

13        (b) "Investment entity" means:

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

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

18        (c) "Single-family residential property" means a residential  
19 structure that is:

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

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

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

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

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

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

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

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

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

11 (6) By June 30, 2026, the department of commerce shall submit a  
12 report to the appropriate committees of the legislature with  
13 recommendations to disincentivize business and investment entities  
14 from maintaining ownership of single-family residential properties.

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

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

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

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

31 Every person who violates section 2 of this act shall pay a civil  
32 penalty of not more than \$100,000 for each violation and sell the  
33 property in violation to an independent third party within one year  
34 of the date that the court enters the judgment.

35 For unlawful acts or practices that target or impact specific  
36 individuals or communities based on demographic characteristics  
37 including, but not limited to, age, race, national origin,  
38 citizenship or immigration status, sex, sexual orientation, presence  
39 of any sensory, mental, or physical disability, religion, veteran

1 status, or status as a member of the armed forces, as that term is  
2 defined in 10 U.S.C. Sec. 101, an enhanced penalty of \$5,000 shall  
3 apply.

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

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

11 By December 1, 2022, and every five years thereafter, the office  
12 of the attorney general shall evaluate the efficacy of the maximum  
13 civil penalty amounts established in this section in deterring  
14 violations of the consumer protection act and the difference, if any,  
15 between the current penalty amounts and the penalty amounts adjusted  
16 for inflation, and provide the legislature with a report of its  
17 findings and any recommendations in compliance with RCW 43.01.036.

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

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