



Sound Cities Association Legislative Report

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Hundreds of bills died with the chamber-of-origin cutoff deadline. The Legislature is now, once again, meeting in committees, holding public hearings and voting on bills that passed out of the opposite chamber (e.g. Senate committees are holding public hearings and voting on bills that passed out of the House and vice versa). Bills need to be voted out of policy committees by April 3, and fiscal committees by April 9.

Initial drafts of the operating, capital, and transportation budgets are anticipated to be released following the March 20th the Economic and Revenue Forecast Council's report. At this time, it will also become more clear which bills that have been designated "necessary to implement the budget" will advance.

Legislative Priorities

Affordable Housing and Homelessness

Affordable Housing Funding: There is one bill remaining that would increase funding for affordable housing - House Bill 1406, sponsored by Representative June Robinson (D-Everett). The bill would allow local jurisdictions to impose a .02 credit against the state sales tax to fund affordable housing. Cities that have imposed a local housing levy or the .01 mental health sales tax may impose the full .02 credit within city boundaries. All other cities would have the authority to impose a .01 sales tax credit in the incorporated areas, and counties would have the authority to impose a .01 sales tax credit in the incorporated areas. Counties may impose the full .02 credit in unincorporated areas. The revenue may be used to acquire, rehabilitate, or construct affordable housing or fund the operations and maintenance of new units of affordable or supportive housing for persons whose income is at or below 60% of the adjusted median income for the jurisdiction imposing the tax. The bill has been scheduled for a public hearing in the Senate Housing Stability & Affordability Committee on Wednesday, March 20 at 1:30pm.

Multiple-Family Property Tax Exemption: Senate Bill 5363, sponsored by Senator Guy Palumbo (D- Maltby), allows a city or county to extend the period of time it may provide a multi-family housing property tax exemption to qualifying properties an additional twelve years. The local government must adopt requirements that continue to ensure that the unit remains affordable. The bill passed the Senate 39-10 and has been referred to House Housing, Community Development & Veterans Committee.

Local Option Authority for Affordable Housing: House Bill 1590, sponsored by Representative Beth Doglio (D- Olympia), which would have allowed cities and counties to councilmanically impose a .01% sales tax increase (not a credit as in House Bill 1406, but an increase) to fund affordable housing, failed to pass out of the House prior to the cutoff deadline and will no longer be considered this session.

House Bill 1493, sponsored by Representative Melanie Morgan (D-Parkland), and Senate Bill 5357, sponsored by Senator Jeannie Darneille (D-Tacoma), would authorize city councils to impose an

additional .25% real estate excise tax to fund affordable housing. These bills have been designated “necessary to implement the budget.”

Legislation on Residential Landlord Tenant Act: Democrats have indicated that, as part of their efforts to address affordable housing, they intend to reform the Residential Landlord Tenant Act. There are three bills that survived the chamber-of-origin cutoff deadline that will have public hearings in committee this week:

- House Bill 1440, sponsored by Representative June Robinson (D-Everett), would require a landlord to provide greater notice of any rent increases. Except for rental agreements governing certain subsidized tenancies, a landlord must provide each affected tenant at least 60 days' notice of a rent increase. In the case of a rental agreement governing subsidized tenancies where the rental amount is based on the income of the tenant or circumstances specific to the subsidized household, the landlord must provide 30 days' notice of a rent increase. The bill passed the House, 62-36, and a public hearing on the bill is scheduled in the Senate Financial Institutions, Economic Development & Trade Committee on Tuesday, March 19 at 8:00am.
- House Bill 1462, sponsored by Representative Andrew Barkis (R- Olympia), would require a landlord under the Residential Landlord-Tenant Act to provide at least 120 days' written notice to a tenant whenever the landlord plans to demolish or substantially rehabilitate the rented premises. The bill passed the House, 94-4, and a public hearing on the bill is scheduled in the Senate Financial Institutions, Economic Development & Trade Committee on Tuesday, March 19 at 8:00am.
- Senate Bill 5600, sponsored by Senator Patty Kuderer (D- Bellevue), has been amended numerous times. Under the current version of the bill, the bill extends the 3-day notice for default in rent payments to 14-days, establishes a standardized notice form, requires a landlord to apply any payments to rent owed rather than other charges, provides the court with discretion on landlord/tenant matters, and makes additional minor changes to the Residential Landlord Tenant Act. This version of the bill passed the Senate 31-15. A public hearing on the bill is scheduled in the House Civil Rights & Judiciary Committee on Tuesday, March 19 at 10:00am.

Condominium Legislation: Senate Bill 5334, sponsored by Senator Jamie Pedersen (D- Seattle), reforms the Condominium Liability Act and reflects months of stakeholder work. The bill would extend immunity from liabilities to officers and directors of homeowner’s associations and clarifies that improvements to condominiums by a warranty dealer be made in accordance with generally applicable building codes in effect at the time of construction. In proceedings for breach/defects by the builder, the purchaser must prove that the alleged breach is: 1) more than technical; 2) significant to a reasonable person; and 3) has caused or will cause physical damage to the unit or common elements, has materially impaired the performance of mechanical, electrical, plumbing, elevator, or similar building equipment, or presents an actual, unreasonable safety risk to the occupants of the condominium. An amended version of the bill passed the Senate unanimously with some minor technical changes and the addition of language prohibiting the sale of a condominium unless all liens of the developer have been released, unless the unit is subject to a lien representing a common expense liability for which the purchaser agrees, in writing, to be responsible. The amendment also corrects the effective date to clarify that the act effects common interest communities created on or after July 1, 2018. A public hearing occurred in the House Civil Rights & Judiciary Committee on Friday, March 15 at 10:00am.

In addition, House Bill 1576, sponsored by Representative Tana Senn (D- Mercer Island), requires the board of directors of a condominium association to notify condominium owners and construction professionals to convene a meeting of homeowners to determine whether to bring forth action, and secure approval from a majority of homeowners before servicing summons. The House Civil Rights & Judiciary Committee amended the bill to change the title of “homeowners” to “unit owners” and establish several additional requirements for notice, and additional options for the voting process. This version of the bill passed the House 94-4. The bill is scheduled for a public hearing in the Senate Law & Justice Committee on Tuesday, March 19 at 10:00am.

Accessory Dwelling Units: Senate Bill 5812, sponsored by Senator Guy Palumbo (D-Maltby), as originally drafted would have preempted city authority to regulate accessory dwelling units (ADUs). The bill passed out of the Senate with an amendment that exempts any city with an ordinance as of the effective date of the bill (July 2019) from the requirements of the bill. The requirements in the bill would require cities to:

- Allow either an attached or detached accessory dwelling unit on all single-family lots.
- Not have an owner-occupancy requirement.
- Not require off-street parking within one-half mile of a light right stop or transit stop that is scheduled for service every 15 minutes for at least 10 hours per day.

The current version of the bill outlines additional development standards that a city may vary from if the city adopts local findings explaining why the development standards do not work for the City. The Senate version of the bill has now been referred to the House Local Government Committee, where it will likely be amended further. The companion bill, House Bill 1797, sponsored by Representative Mia Gregerson (D-SeaTac), died with the chamber-of-origin cutoff deadline.

Minimum Density Requirements: House Bill 1923, sponsored by Representative Joe Fitzgibbon (D-Burien), would have required cities to select off a menu of options to increase density and increase housing affordability in their community. If a city does not select off the menu of options, the city is then required to update the housing element of their comprehensive plan and comply with new criteria provided for in the bill. If a city does neither, they are then ineligible for a series of grant programs (very similar to how a city would be treated if found noncompliant with the GMA). The bill was amended on the House Floor to make all the provisions of the bill optional – rather than requiring cities to act, it now states that cities are *encouraged* to act. The bill passed the House 66-30. The bill has not yet been referred to a Senate committee but is expected to be significantly amended as it advances through the Senate.

Transportation & Infrastructure

House Work Session: The House Transportation Committee will be holding a work session on local government transportation issues on Thursday, March 21 at 3:30pm.

Transportation Revenue Package: The Senate proposed transportation revenue package narrowly passed out of the Senate Transportation Committee 8-7 and was referred to the Senate Ways & Means Committee for further consideration. At this time, it seems unlikely that it will advance any further this legislative session.

Tools for Cities

Cities continue to encourage the Legislature to enhance local revenue options, fund and safeguard state revenues, and oppose unfunded mandates. A group of legislators in the House, led by new

Local Government Committee Chair, Rep. Gerry Pollet (D-Seattle) have organized as local government champions. On House Bill 1923 (see above), they opposed the bill because it included significant planning obligations for cities and counties without corresponding funding. On wrongful death, this same group has indicated that, following the leadership of Rep. Amy Walen (D-Kirkland), they plan to advocate to remove the joint and several liability provisions from the wrongful death bill. Hopefully this group can continue to be strong advocates for cities.

1% Property Tax Cap: [House Bill 2145](#), sponsored by [Rep. Gerry Pollet](#) (D- Seattle), modifies the annual regular property tax revenue growth limit and repeals the current 1% or less property tax. The bill would determine the tax based off of population change and inflation but would not exceed 3%. The bill was introduced after the cutoff deadlines – it is unclear whether it is likely to pass, or even have a public hearing, this session.