

# SENATE BILL REPORT

## SB 5825

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As Passed Senate, February 15, 2022

**Title:** An act relating to establishing a rental and vacant property registration program work group.

**Brief Description:** Establishing a rental and vacant property registration program work group.

**Sponsors:** Senators Kuderer, Das, Lovelett, Nobles and Wilson, C..

**Brief History:**

**Committee Activity:** Housing & Local Government: 1/19/22, 2/01/22 [DP, DNP].

**Floor Activity:** Passed Senate: 2/15/22, 29-20.

**Brief Summary of Bill**

- Requires the Department of Commerce to convene a work group to evaluate the feasibility of creating a statewide rental and vacant property registration program and corresponding database.

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### SENATE COMMITTEE ON HOUSING & LOCAL GOVERNMENT

**Majority Report:** Do pass.

Signed by Senators Kuderer, Chair; Das, Vice Chair; Cleveland, Lovelett, Salomon and Trudeau.

**Minority Report:** Do not pass.

Signed by Senators Fortunato, Ranking Member; Gildon, Assistant Ranking Member; Sefzik, Warnick and Wilson, J.

**Staff:** Brandon Popovac (786-7465)

**Background:** The Residential Landlord-Tenant Act (RLTA) regulates the creation of residential tenancies and the relationship between landlords and tenants of residential

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dwelling units. Under the RLTA, local municipalities may require that landlords provide a certificate of inspection as a business license condition to operate as a landlord. However, a local municipality does not need to have a business license or registration program to require that landlords provide a certificate of inspection. A local municipality may only require a certificate of inspection on a rental property once every three years.

Numerous local municipalities throughout the state have exercised this authority in establishing rental housing safety, inspection, or registration programs, with many having a goal to ensure that all rental housing units comply with specific life and safety standards and provide a safe place for tenants to live. Some local municipalities have implemented a business license requirement for landlords.

**Summary of Bill:** The Department of Commerce (Commerce) must convene a work group to make recommendations on the creation of a statewide rental and vacant property registration program for inventorying both tenant-occupied and potentially available rental housing.

The work group must include relevant stakeholders including tenant representatives, landlord and property management representatives, multifamily housing representatives, housing developer representatives, and representatives from cities and counties, and meet at least three times to evaluate:

- current local rental property registration and landlord licensing programs and strategies to synthesize and collect registration information from such programs into a statewide database, while addressing any information technology challenges;
- which property and landlord information should be collected and disclosed in a statewide database;
- the need to implement a registration requirement over time and across specific state regions;
- challenges in both identifying housing units and providing adequate notice to owners subject to a registration requirement;
- the imposition of registration or licensing fees and fee amounts, use of fee revenue, and appropriate penalties;
- the types of housing units to be exempted;
- the use of a statewide database to provide rental assistance program information to both tenants and landlords;
- the feasibility of requiring landlords to report rent rate data as part of a registration program; and
- any other considerations discussed by the work group.

Commerce must issue a final report, including any work group findings and recommendations, to the Legislature by December 1, 2022.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Housing is a human right, and there is a current lack of affordable housing, with a shortage of overall units at nearly 250,000. There is no handle on how much rental housing stock is available or if rental units that are sold remain as rentals. Intent of the bill is to find out how and where to build more rental units. Any eventual database will better inform policy decisions with real-time data. An eventual state program could be a conduit for providing information or resources to landlords, especially during crises.

OTHER: The bill is not covered in the Governor's proposed budget, and there is a tight timeline in bringing stakeholders together and reporting to the Legislature by the end of the year. Likely fiscal costs couple with the tight timeline may require the need to hire a consultant to conduct work group meetings and produce recommendations. There will be eventual information technology challenges with setting up a database that will likely also require a consultant.

**Persons Testifying:** PRO: Senator Patty Kuderer, Prime Sponsor.

OTHER: Dave Pringle, WA Dept. of Commerce.

**Persons Signed In To Testify But Not Testifying:** No one.