



## Washington Apartment Association (WAA)

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### End of 2011 Legislative Regular & Special Session Legislative Update

Dear WAA Members:

The last day of the 2011 session was on **Friday, April 22, 2011**. The 30 day special session began on **Tuesday, April 26, 2011** and adjourned on **Wednesday, May 25** at about **10:00 p.m.**

**Special thanks** to **Darlene Pennock** and **Judith Violette** for their support in Olympia – we certainly appreciate Darlene testifying on the hill on various issues as well as meeting with lawmakers.



#### **HB 2048**

**Rep. Kenney**

**Rent Voucher:** This legislation sets the Homeless Housing and Assistance Act document recording surcharge at \$40.00 from August 1, 2011 running through June 30, 2015. The surcharge becomes \$30.00 from July 1, 2015 to June 30, 2017. Adds requirements to local governments and the Department of Commerce related to housing vouchers paid for with document recording fees.

**WAA, RHA, and WAMFHA** apartment associations supported HB 2048 and worked alongside the homeless housing advocates to pass HB 2048 because the bill includes numerous provisions enhancing the use of private sector vouchers and cost efficiencies as follows:



*Darlene Pennock,  
WAA*

#### **These requirements of local governments include:**

- A)** Establish and implement a process for promoting the availability of private rental properties, including the development of an interested landlord list that includes information on rental properties in buildings with fewer than 50 units.
- B)** Semi-annually convening of interested landlords and agencies that provide services to households receiving housing vouchers to identify successes, barriers, and process improvement.

- C)** Develop and submit annual data, in consultation with landlords and agencies on specified expenditures made and document them with Dept. of Commerce.
- D)** Efficiently and cost-effectively providing housing assistance to very-low income and homeless households.

**The Department of Commerce is required to:**

- A)** Have its contractors distribute the interested landlord list
- B)** Annually convene local governments, landlord association representatives, and agencies to identify successes, barriers, and process improvements.
- C)** Develop a sampling methodology to obtain required data when a local government or contractor does not have such information readily available
- D)** Develop and submit an annual report to the Legislature that is developed in consultation with local governments, landlord association representatives, and agencies that includes specified expenditures made and services provided with document recording fees.



*Mark Gjurasic, WAA  
Lobbyist*

Please see the following link for the language of the bill: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/2048.pdf>

**POSITION:** Support  
**STATUS:** DEAD Returned to House Rules

**SB 5083/HB 1184** **Sen. Ranker/Rep. Maxwell**

**Real Estate B&O Tax on Real-Estate Commissions:** In this legislation any real estate firm who receives a commission at the time of closing on a real estate transaction must pay the B&O tax only upon their respective shares of the commission. Terms and definitions are updated to be consistent with real estate licensing laws. The act applies both prospectively and retroactively. To view the bill, you can click on the following website: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/Session%20Law%202011/5083.SL.pdf>

**POSITION:** Support  
**STATUS SB 5083:** Governor Signed - Effective date 7/22/2011  
**STATUS HB 1184:** DEAD Senate Rules Committee

**SB 5941** **Sen. Eide**

**Court Filing Fees:** In its original form, which we did not support, this legislation would increase court filing fees for landlords by removing the 2011 sunset on an additional \$30 **unlawful detainer** surcharge. The House Ways Committee adopted a striking amendment which essentially inserted the provisions of HB 2081 into SB 5941. The adopted amendment provides that the surcharges on superior and district courts filings (including the unlawful detainer surcharge) **expire on July 1, 2013**. The amendment also provides that all of the revenues collected from the surcharges are deposited into the Judicial Stabilization Trust Account. To view the bill, you can click on the following website: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/Senate%20Passed%20Legislature/5941.PL.pdf>

**POSITION:** Support  
**STATUS:** Governor Signed - Effective date 7/1/2011

**HB 1266****Rep. Pedersen**

**Changes to Residential Landlord & Tenant Act:** This bill makes changes to the Residential Landlord and Tenant Act as a result of meetings with Rep. Jamie Pedersen, representatives from landlords, tenants and other stakeholders. We rejected any efforts to put a limitation on late fees in this legislation which were proposals made by the tenant groups.

**Landlord Entry.** More specific notice requirements are established for landlord entry into a tenant's dwelling unit. The notice must be in writing and specify the date or dates of entry and either the exact time of entry or a period of time during which entry will occur. The notice must also include a telephone number for the tenant to call and communicate an objection or request to reschedule the entry. Fees or

**Deposits to Hold a Unit or Secure a Tenancy.** When a landlord requires a fee or deposit to hold a dwelling unit or secure that a prospective tenant will move into a dwelling unit, the landlord may not withhold a portion of the fee or deposit if the dwelling unit fails a tenant-based rental assistance program inspection by a qualified inspector. A landlord may elect to no longer hold a unit for a tenant if the inspection does not occur within 10 days from the date the fee or deposit is collected. The penalty for a violation of provisions relating to fees or deposits to hold a unit or secure a tenancy is changed from \$100 to two times the fee or deposit. Please see the following link for the language of the bill:

<http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/Session%20Law%202011/1266-S.SL.pdf>

**POSITION:****Support****STATUS:****Governor Signed – Effective date 7/22/2011****HB 1793/SB 5558****Rep. Darneille/Sen. Hargrove**

**Restricting access to juvenile records:** This legislation would deny consumer reporting agencies from reporting juvenile court records of arrest and convictions to landlords when running criminal background checks and would hinder the landlord to make decisions when renting to those that have a criminal background. Landlords can be held accountable for criminal activities on their properties and therefore should be allowed to see if a potential tenant has a history of criminal activity to make informed decisions when renting. We want to ensure that we allow for a safe environment to our other tenants. The bill passed that there will be a study. We will lobbied the Governor's office to have the section which allows sealed records until the age of 20 to be removed from the legislation, however the Governor signed the bill in full. Please see the following link for the language of the bill:

<http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/Session%20Law%202011/1793-S.SL.pdf>

**POSITION:****Oppose****STATUS HB 1793:****Governor Signed – Effective date 7/22/2011****STATUS SB 5558:****DEAD** Senate Rules Committee**SB 5289/HB 1416****Sen. Murray/Rep. Pettigrew**

A B&O tax deduction is permitted for amounts that (1) a nonprofit property management company receives for compensating on-site employees from the owner of property; (2) a property management company receives for compensating on-site employees from a housing authority; and (3) a property management company receives for compensating on-site employees from a limited liability company or limited partnership of which the sole managing member or sole general partner is a housing authority. Please see the following link for the language of the bill: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/Senate%20Passed%20Legislature/5289.PL.pdf>

**POSITION:****Concerns/Reviewing****STATUS SB 5289:****Governor Signed - Effective date 8/24/2011.****STATUS HB 1416:****DEAD** House Ways & Means Committee

**HB 1077****Rep. Kelley**

**Repeal of On-Site Property Personnel Tax:** We have introduced legislation that will repeal the on-site property tax as it applies to wages and other benefits applied to on-site property managers. The repeal will be implemented in 3 years when the 1.8% B&O Tax is reduced to 1.5% on service industries. This tax was made permanent in the 2010 legislative session. Please see the following link for the language of the bill: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/1077.pdf>

**POSITION: Support****STATUS: DEAD** House Ways & Means**HB 1881 / SB 5705****Rep. Springer/Sen. Kilmer**

**Tax Increment Financing:** This legislation was introduced to create **tax increment financing** as a redevelopment tool for communities and local governments to issue bonds to provide public infrastructure to support the development in the area of revitalization. The increased property tax resulting from the development are than used to pay back the bonds – a great tool and advantage for those businesses that are in and around the development area. Please see the following link for the language of the bill: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/1997-S.pdf>

**POSITION: Support****STATUS HB 1881: DEAD** House Ways & Means**STATUS SB 5705: DEAD** Senate Ways & Means**SB 5110****Sen. Kohl-Welles**

**Carpet stewardship:** Under this legislation carpet “producers”, beginning January 1, 2012 will be mandated to participate in a “carpet stewardship organization.” The “carpet stewardship organization” implements various policies around the disposal and recycling of carpet sold in Washington. Beginning in January 31, 2013, “carpet stewardship organizations” would collect an annual fee of \$1000 for each “producer.” Fees collected will go to the enforcement and administration of the “carpet stewardship” organization. Please see the following link for the language of the bill: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/Senate%20Bills/5110-S.pdf>

**POSITION: Monitor****STATUS: DEAD** Senate Rules Committee**HB 1997****Rep. Orwall**

**Economic development by funding tourism promotion, workforce housing, art and heritage programs, and community development:** This legislation would direct stadium-related tax sources in King County to a dedicated account once the obligations for stadium debt are paid. It requires that money in the dedicated account be used for arts and heritage programs, affordable housing provided by nonprofit organizations and housing authorities, community development, and the Washington State Convention Center. It disallows the use of money in the dedicated account for acquiring or constructing a stadium used by a professional sports franchise or for acquiring, constructing, repairing, or improving a facility used by a state university. It eliminates the 75 percent dedication of the 1 percent car rental tax to public stadium facilities for all counties except King County. Please see the following link for the language of the bill: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/1997-S.pdf>

**POSITION: Concerns/Reviewing****STATUS: DEAD** Senate Ways & Means Committee

**SB 5283/HB 1661****Sen. Hobbs/Rep. Finn**

**Rent Vouchers:** We helped to introduce this legislation which allows for rent vouchers to be given to tenants similar to Section 8 but rather a state program that allows tenants to rent from private sector landlords. It's not mandatory that a landlord take the voucher. Lawmakers have suggested that interest from tenant deposits pay for funding of the rent voucher program or a fee/new tax of \$1 or \$2 be placed on each rental unit to pay for the program as well. WAA opposes both of these funding concepts. We have met with Speaker Chopp who is considering vouchers. **Vouchers are also being considered in Disability Lifeline.** Please see the following link for the language of the bill:

<http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/Senate%20Bills/5283-S.pdf>

**POSITION:** **OPPOSE**

**STATUS SB 5283:** **DEAD** Senate Ways & Means

**STATUS HB 1661:** **DEAD** House Community Development & Housing

**HB 1126****Rep. Ross**

**Criminal Street Gangs:** This legislation would declare a property a nuisance without the notification of the property owner after 3 or more unrelated criminal gang offenses occur. This legislation undermines the crime-free legislation passed last year (SB 5742) where landlords are notified via notice from the police regarding the criminal activity and allow the property owner in a good faith effort to deter the activity. Please see the following link for the language of the bill:

<http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/1929.pdf>

**POSITION:** **Oppose**

**STATUS:** **DEAD** House Public Safety & Emergency Preparedness

**HB 1929****Rep. Liias**

**Street Utility Maintenance:** This bill would allow cities, with voter approval, to establish local "street maintenance utilities" (SMU's). City councils would then have the authority to impose charges on residential and commercial users of up to 50 percent of the actual costs for maintenance, operation, and preservation of city streets. Rates would be uniform for the same class of service, and all business and residential properties would be subject to the utility charge. Charges imposed on businesses would be measured by the number of employees and would be prohibited from exceeding the equivalent of \$2 per month per full-time employee. Charges imposed against residential owners or occupants could **not exceed \$2 per month per housing unit.** Please see the following link for the language of the bill:

<http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/1929.pdf>

**POSITION:** **Oppose**

**STATUS:** **DEAD** House Rules Committee

**SB 5050****Sen. Kline**

**Taking Interests from Tenant Security Deposits for Other Uses:** The purpose of the bills is to take the interest from tenant deposits to build low-income housing. The latest proposal by Senate lawmakers was to take interests on **tenant deposits to pay for low-income rental housing vouchers.** Also, see SB 5283 as it deals with voucher funding. Please see the following link for the language of the bill:

<http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/Senate%20Bills/5050.pdf>

**POSITION:** **Oppose**

**STATUS:** **DEAD** Financial Institutions and Housing & Insurance

**HB 2081****Rep. Pedersen**

**Court Filing Fees:** This bill extends the filing fee surcharge of both District Court (\$20) and Superior Court (\$30), from sunset on July 1, 2011 to sunset on July 1, 2013. We support this legislation because it extends the sunset date for two years rather than a permanent extension. Please see the following link for the language of the bill: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/2081.pdf>

**POSITION:****Support****STATUS:**

House Ways &amp; Means Committee

**HB 1778****Rep. Upthegrove**

**Utility Services:** The bill prohibits landlords of multitenant buildings from billing tenants for utility services separately from rent except under certain circumstances. Please see the following link for the language of the bill:

<http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/1778.pdf>

**POSITION:****Oppose****STATUS:****DEAD** House Judiciary**HB 1526****Rep. Orwall**

**Tenant Screening:** We oppose this legislation because it requires a list of conditions to be disclosed to a tenant qualifying them to rent from a landlord. Specifically this legislation requires a **list of screening criteria which may include: employment history; rental history; criminal history; credit history; income standards or affordability tests;** whether information obtained was inadequate or could not be verified; and any other factor explained in writing to the prospective tenant. Please see the following link for the language of the bill:

<http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/1526.pdf>

**POSITION:****Oppose****STATUS:****DEAD** House Judiciary**HB 1616****Rep. Hunt**

**Lien Authority of Public Utility Districts:** This legislation authorizes a public utility district to impose penalties of not more than 10 percent and interest of 8 percent on delinquent rates and charges for water and sewer services. It provides a process through which a district may certify delinquent accounts for water and sewer services to the county auditor, causing such delinquencies to become a lien against the property served. We are **opposed** to this legislation because it would expand the authority of public utility districts to place liens on landlord's property for unpaid utility bills owed by tenants. Please see the following link for the language of the bill: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/1616.pdf>

**POSITION:****Oppose****STATUS:****DEAD** House Rules Committee**SB 5826****Sen. Kohl-Welles**

**Tenant screening:** This legislation was introduced on February 22 as a late arrival. It requires prospective landlords to notify prospective tenants in writing of certain information before obtaining a tenant screening report about the prospective tenant. This legislation also authorizes the landlord to charge a prospective tenant a maximum of ten dollars for using the screening service. The Goal also is to have "tenant screening portability" – for 30 days or less. Please see the following link for the language of the bill: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/Senate%20Bills/5826.pdf>

**POSITION:****Oppose****STATUS:****DEAD** Senate Financial Institutions, Housing & Insurance

**SB 5910****Sen. White**

**Parking Tax:** This legislation authorizes the legislative authority of a county, city, or district to fix and impose a parking tax on all nonresidential parking within its respective jurisdiction. I met with Sen. White to further discuss and get clarification on the issue. In my meeting he informed me that it is **highly unlikely**, at this time, that **SB 5910 will have a hearing** – and he is not asking for a hearing at this time. He realizes the significant implications on both real-estate and the University of Washington and certainly does not want to create a “cash cow” for the cities. This stall tax is directed at non residential applications and we want to ensure that we are not included into the future. To view the bill, you can click on the following website: <http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/Senate%20Bills/5910.pdf>

**POSITION:****Oppose****STATUS:****DEAD** Senate Government Operations, Tribal Relations & Elections**CO Detector Administrative Discussions:**

The emergency rule currently in place requires **CO detectors in new residential construction** where fuel fired appliances are installed and in units with attached garages; for existing units the effective date is **January 1, 2013**, consistent with SSB 5561.

There is a **proposal to implement the requirement for existing units** as repairs, alterations or additions to the unit requiring a permit occur. The SBCC will take public testimony on this proposal at hearings this fall and adopt a permanent rule by December 1, 2011. Information related to the CO rule can be found at the following link: <https://fortress.wa.gov/ga/apps/sbcc/Page.aspx?nid=168>

**TAG Proposal to modify ICC F133-09/10**

**908.7 (IBC [F] 908.7) Carbon monoxide alarms.** Group R occupancies shall be provided with carbon monoxide alarms. The carbon monoxide alarms shall be listed as complying with UL 2034 and be installed and maintained in accordance with NFPA 720 and the manufacturer’s instructions.

**Exception:** Sleeping units or dwelling units in R-1 occupancies and R-2 college dormitories, hotel, and DSHS licensed boarding home and residential treatment facility occupancies which do not themselves contain a fuel-burning appliance, or a fuel-burning fireplace, or have an attached garage, but which are located in a building with a fuel-burning appliance, or a fuel-burning fireplace, or an attached garage, need not be provided with carbon monoxide alarms provided that:

1. The sleeping unit or dwelling unit is not adjacent to any room which contains a fuel-burning appliance, a fuel-burning fireplace, or an attached garage; and,
2. The sleeping unit or dwelling unit is not connected by duct work or ventilation shafts with a supply or return register in the same room to any room containing a fuel-burning appliance, a fuel-burning fireplace, or to an attached garage; and
3. The building is provided with a common area carbon monoxide alarm system.
4. An open parking garage, as defined in the *International Building Code*, or enclosed parking garage ventilated in accordance with Section 404 of the *International Mechanical Code* shall not be deemed to be an attached garage.

**908.7.1 Carbon monoxide detection systems.** Carbon monoxide detection systems, that include carbon monoxide detectors and audible notification appliances, installed and maintained in accordance with this section for carbon monoxide alarms and NFPA 720 shall be permitted. The carbon monoxide detectors shall be listed as complying with UL 2075.

**4603.8 Carbon monoxide alarms.** Existing Group R occupancies shall be provided with carbon monoxide alarms. R-2 occupancies not already equipped with a carbon monoxide alarm system shall be provided with a carbon monoxide alarm system when alterations, repairs or additions requiring a permit occur, or when one or more sleeping rooms are added or created. The carbon monoxide alarms shall be listed as complying with UL 2034 and be installed and maintained in accordance with NFPA 720 and the manufacturer's instructions.

**Exceptions:**

1. Work involving the exterior surfaces of dwellings, such as the replacement of roofing or siding, or the addition or replacement of windows or doors, or the addition of a porch or deck, or electrical permits.
2. Installation, alteration or repairs of non-combustion plumbing or mechanical systems.
3. Sleeping units or dwelling units in R-1 occupancies and R-2 college dormitories, hotel, and DSHS licensed boarding home and residential treatment facility occupancies which do not themselves contain a fuel-burning appliance, a fuel-burning fireplace, or have an attached garage, but which are located in a building with a fuel-burning appliance, a fuel-burning fireplace, or an attached garage, need not be provided with carbon monoxide alarms provided that:
  - a. The sleeping units or dwelling unit is not adjacent to any room which contains a fuel-burning appliance, a fuel-burning fireplace, or an attached garage; and,
  - b. The sleeping units or dwelling unit is not connected by duct work or ventilation shafts with a supply or return register in the same room to any room containing a fuel-burning appliance, a fuel-burning fireplace, or to an attached garage; and
  - c. The building is provided with a common area carbon monoxide alarm system.
  - d. An open parking garage, as defined in the *International Building Code*, or enclosed parking garage ventilated in accordance with Section 404 of the *International Mechanical Code* shall not be deemed to be an attached garage.