

SENATE BILL REPORT

SB 5379

**AS REPORTED BY COMMITTEE ON GOVERNMENTAL OPERATIONS,
FEBRUARY 19, 1991**

Brief Description: Eliminating housing relocation for low-income tenants.

SPONSORS: Senators McCaslin, Rasmussen and Anderson.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators McCaslin, Chairman; Roach, Vice Chairman; and Matson.

Staff: Rod McAulay (786-7754)

Hearing Dates: February 12, 1991; February 19, 1991

BACKGROUND:

The Growth Management Act of 1990 authorizes local governments to require property owners who redevelop or demolish low-income housing to participate in the payment of relocation expenses for the tenants. The total compensation may not exceed \$2,000 per unit and the property owner's required participation may not exceed 50 percent.

This authority is expressly exempted from the limitations on local governments' authority to impose taxes. The proceeds from local government excise taxes on sales of real property may be used to fund the local government contribution to such relocation expenses.

The only local government to utilize this authority to date is the city of Seattle.

SUMMARY:

The authority to require property owners to pay relocation expenses of low income tenants impacted by the demolition or rehabilitation of housing units is repealed. Local governments may not use proceeds from an excise tax on sales of real property to fund low-income relocation expense compensation programs.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

Would eliminate a program which places an unfair burden on property owners. Cost of displacement of low-income renters should be borne by the community.

TESTIMONY AGAINST:

Elimination of the program could aggravate the homeless problem and increase the burden on limited public resources.

TESTIFIED: Mike Ryherd, Community Action Agencies (con); Glen Hudson, Washington Association of Realtors (pro); Rob Rueber, Washington Association of Realtors (pro)