

## **HB 2944 -A5 STAFF MEASURE SUMMARY**

### **Senate Committee On Human Services**

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**Prepared By:** Matt Doumit, LPRO Analyst

**Meeting Dates:** 5/1, 5/17

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#### **WHAT THE MEASURE DOES:**

Requires landlord to prove amount of damages to be eligible for funds from the Housing Choice Landlord Guarantee Program, operative September 1, 2017. Repeals requirement for tenant to repay Housing Choice Landlord Guarantee Program for assistance paid to landlord. Declares emergency, effective on passage.

*FISCAL: Minimal Expenditure Impact*

*REVENUE: Minimal Revenue Impact*

#### **ISSUES DISCUSSED:**

- Background on Section 8 landlord voucher program
- Current structure of Housing Choice Landlord Guarantee Program and vulnerabilities to abuse of claims process
- Alternatives for collecting damages from destructive tenants
- Provisions of measure

#### **EFFECT OF AMENDMENT:**

-A5 Changes operative date to August 1, 2017. Clarifies that provisions apply to claims for financial assistance based on judgments entered on or after operative date.

*FISCAL: May Have Fiscal Impact, But No Statement Yet Issued*

*REVENUE: Minimal Revenue Impact*

#### **BACKGROUND:**

The Housing Choice Landlord Guarantee Program (HCLGP) was established to provide financial assistance to landlords mitigating damages caused by tenants participating in the Housing Choice Voucher Program, also known as Section 8. Landlords are eligible if they leased to a Section 8 tenant and obtained a judgement against the tenant for damages. Financial assistance may be awarded for claims between \$500 and \$5,000 for property damage, unpaid rent, or other damages exceeding normal wear and tear from Section 8 tenants. Reviews have found that around 80 percent of small claims cases brought by landlords result in default judgments, often with no affirmative showing of damages.

House Bill 2944-A requires that landlords applying for the HCLGP prove the amount of damages in a judicial hearing before a landlord is eligible for financial assistance. The measure also repeals the requirement for tenants to repay the Housing Choice Landlord Guarantee Program for assistance paid to landlords.