

## ***JUVENILE REHABILITATION – PROGRAM POLICY***

### ***Policy 1.51 – State Owned Employee Housing***

#### ***Summary***

- Establishes policy regarding the use of state-owned housing for use by JR staff.

#### **Background:**

JR joined DCYF on 7/1/2019. The former DSHS Administrative Policy 06-17 was no longer needed as an administrative level policy, since JR is the only place in DCYF where housing exists.

The policy language was not changed, just shifted from an administrative, agency-wide policy into a JR program policy. At the time of this publication, Naselle Youth Camp is the only JR facility using state-owned housing.

#### **Policy Summary**

This policy addresses the legal requirements for state-owned housing, including rent and legal requirements.

#### **Changes from Current Practice**

- There are no changes to current practice

Training Required: No

*Policy Effective Date: 10/4/2019*

*Staff are responsible for reading and understanding the information contained in the full policy.  
Review of this summary is not sufficient for full understanding.*

**POLICY 1.51 STATE OWNED EMPLOYEE HOUSING**

**Policy Committee Chair**

Don Mead, Ed. D.  
Superintendent, Echo Glen  
Juvenile Rehabilitation

**Approved**



Marybeth Queral, Assistant Secretary  
Juvenile Rehabilitation  
9/24/2019

**Authorizing Sources**

**RCW 43.81.040**  
**RCW 59.18**  
**RCW 72.01**

**Information Contact**

Andrea Ruiz  
Policy, Planning & Lean Administrator  
Juvenile Rehabilitation

**Effective Date**

**10/4/2019**

**Sunset Review Date**

**10/4/2023**

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**I. PURPOSE AND SCOPE**

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The purpose of this policy is to provide direction to Juvenile Rehabilitation (JR) Institution Superintendents and their supervisors regarding the use of state-owned facilities for employee housing.

This policy applies to all state-owned living facilities managed by Department of Children, Youth & Families (DCYF). All staff, contractors, volunteers, and interns living in a state-owned facility are responsible for reviewing and complying with this JR policy.

**II. POLICY**

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- 1. State Institutional Superintendents shall be delegated responsibility for the efficient management of on-site living facilities, except when the Superintendent is the person occupying the living facility.**
  - 1.1. The Superintendent's supervisor shall make on-site facility management decisions, when the Superintendent is occupying the on-site housing involved.
- 2. Facilities may only be made available when it is to the department's benefit to have the facility occupied by the employee due to responsibilities associated with the work place.**
  - 2.1. If no department employees opt to reside in the facility, the Superintendent may make the facility available for occupancy to other interested parties whose presence on-site would provide a significant benefit to the efficiency of JR operations.
- 3. A state-owned facility shall not be made available unless the Superintendent involved determines there are adequate financial resources available to maintain the living facility in reasonable repair for the upcoming fiscal period.**

Policy **1.51**, **State Owned Employee Housing, 10/4/2019****RENT AND FEES**

- 4. If JR requires an employee reside in state-owned or leased housing as a condition of employment, no rent shall be charged and no leasehold excise tax shall be collected. See RCW 82.29A.130(5).**
  - 4.1. All others residing in on-site facilities shall pay a reasonable rent.
- 5. JR shall charge rent by determining fair market value.**
  - 5.1. Persons qualified to perform real property appraisals in the state of Washington shall appraise the housing.
  - 5.2. The appraiser shall take into account the proximity to other on-site facilities, availability of public services, isolation from other residential properties, and any other factors applicable due to the location of the property.
- 6. Where possible, employees shall pay for all utilities costs associated with their housing. If the facility is not metered separately, utilities will be factored into the rent.**
- 7. Monies received from rental of a state-owned living facility which do not exceed the portion of rent attributable to the maintenance of the facility, shall be deposited in the general fund as recoveries and the remainder of the rent shall be deposited in the general fund as revenue. See RCW 72.01.282.**
- 8. Any person occupying state-owned facilities shall do so with the understanding they shall conform to all reasonable obligations and/or responsibilities as directed by the Superintendent or supervisor and as outlined in the rental agreement.**
- 9. Any occupant/tenant is responsible for damage to the premises or personal belongings and for loss due to theft.**
  - 9.1. Renter's insurance is encouraged and is the responsibility of the occupant/tenant.

**LEGAL REQUIREMENTS**

- 10. The Superintendent or supervisor involved shall ensure a rental agreement approved by the Office of the Attorney General is fully executed between the department and any person intending to occupy the state-owned facility.**
  - 10.1. The agreement shall protect the best interests of the department, establish a month-to-month tenancy, and conform to the requirements of the Residential Landlord Tenant Act in RCW 59.18.
- 11. The Superintendent shall ensure there is no discrimination in the provision of employee housing in accordance with Washington Housing Policy Act of 1993, Washington State Law Against Discrimination, RCW 49.60, Federal Fair Housing Act Amendments of 1988, 42 U.S.C. Sec. 3602, and related state and federal laws.**
- 12. Each Institution is responsible for ensuring all Federal Income Tax regulations are complied with related to employer-provided housing.**
  - 12.1. In most cases, where an employee is allowed to occupy state-owned facilities for less than fair market value, the employee will incur an additional income tax liability.
  - 12.2. Institutions should consult with the Capital Facilities, Field Operations, Financial & Business Services, and/or their payroll representatives for technical assistance.

Policy **1.51**, **State Owned Employee Housing, 10/4/2019****13. Each Institution shall be responsible for collecting leasehold excise tax when due.**

- 13.1. The revenue shall be reflected in revenue source 0151.
- 13.2. The amount of leasehold excise tax due must be listed separately from the amount of contract rent on any statement or other document provided to the lessee by the Institution. See WAC 458-29A-600(3).
- 13.3. There are no deductions authorized for contract rent payments allocated to the Institution's expenses or for rental payment credits given for performing volunteer work.
- 13.4. The leasehold interests subject to exemption from taxes imposed pursuant to RCW 82.29A.030 and 82.29A.040 are listed under RCW 82.29A.130.
- 13.5. All exemptions must be renewed annually with the Department of Revenue.

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### III. DEFINITIONS

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**Contract rent:** Defined under RCW 82.29A.020(2)(a) "shall mean the amount of consideration due as payment for a leasehold interest..."

**Leasehold excise tax:** Defined under RCW 82.29A.030(1) is the tax collected "...on the act or privilege of occupying or using publicly owned real or personal property through a leasehold interest..."

**Leasehold interest:** Defined under RCW 82.29A.020(1)(a) "shall mean an interest in publicly owned real or personal property which exists by virtue of any lease, permit, license, or any other agreement, written or verbal, between the public owner of the property and a person who would not be exempt from property taxes if that person owned the property in fee, granting possession and use, to a degree less than fee simple ownership... The term "leasehold interest" shall include the rights of use or occupancy by others of property which is owned in fee or held in trust by a public corporation, commission, or authority created under RCW 35.21.730..."

**Persons qualified to perform real estate appraisals:** Persons licensed or certified under RCW 18.140.010(24)-(26).

**Reasonable repair:** The level of repair the responsible Institution Superintendent or their supervisor feels is necessary for a particular state-owned facility to remain in a condition providing safe and healthful shelter (see RCW 43.81.040).

**State-owned living facility:** Apartments, duplexes, multiple-unit dwellings, and single-family dwellings on state-owned institutional property used for employee or other interested persons' housing.

**Superintendent's Supervisor:** The person in the chain-of-command who supervises a state Institution Superintendent.

Policy **1.51**, **State Owned Employee Housing, 10/4/2019**

**Taxable rent:** Defined under RCW 82.29A.020(2) “shall mean contract rent as defined in subsection (a) of this subsection in all cases where the lease or agreement has been established or renegotiated through competitive bidding or negotiated or renegotiated in accordance with statutory requirements regarding the rent payable, or negotiated or renegotiated under circumstances, established by public record, clearly showing that the contract rent was the maximum attainable by the lessor...”

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IV. RELATED JR POLICIES

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V. FORMS AND DOCUMENTS

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**Document Number and Name**

**Available In ACT?**

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