

---

**SUBSTITUTE HOUSE BILL 1070**

---

**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** House Housing (originally sponsored by Representatives Connors, Reeves, Hutchins, Schmidt, Peterson, Christian, Rude, Klicker, Barkis, and Walsh)

1 AN ACT Relating to exempting the sale and leaseback of property  
2 by a seller from the residential landlord-tenant act when the seller  
3 agrees to a written lease at closing; and amending RCW 59.18.040.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 59.18.040 and 1989 c 342 s 3 are each amended to  
6 read as follows:

7 The following living arrangements are not intended to be governed  
8 by the provisions of this chapter, unless established primarily to  
9 avoid its application, in which event the provisions of this chapter  
10 shall control:

11 (1) Residence at an institution, whether public or private, where  
12 residence is merely incidental to detention or the provision of  
13 medical, religious, educational, recreational, or similar  
14 services((~~r~~)) including, but not limited to, correctional facilities,  
15 licensed nursing homes, monasteries and convents, and hospitals;

16 (2) Occupancy under a bona fide earnest money agreement to  
17 purchase or contract of sale of the dwelling unit or the property of  
18 which it is a part, where the tenant is, or stands in the place of,  
19 the purchaser;

20 (3) Occupancy under a written rental agreement entered into by a  
21 seller and buyer of a dwelling unit, for the seller to retain

1 possession of the dwelling unit after closing of the sale of the  
2 dwelling unit, if the conditions in (a) through (c) of this  
3 subsection are satisfied.

4 (a) The rental agreement permits the seller to remain in the  
5 dwelling unit for no more than three months after closing, and the  
6 buyer does not accept any rent payments from the seller after three  
7 months from closing;

8 (b) At the time of closing of the sale, the dwelling unit was not  
9 a distressed home as defined in chapter 61.34 RCW; and

10 (c) During negotiation of the purchase agreement or at the time  
11 of closing of the sale, the seller was represented by an attorney  
12 licensed to practice law in this state or by a real estate broker or  
13 managing broker licensed under chapter 18.85 RCW;

14 (4) Residence in a hotel, motel, or other transient lodging whose  
15 operation is defined in RCW 19.48.010;

16 ~~((4))~~ (5) Rental agreements entered into pursuant to the  
17 provisions of chapter 47.12 RCW where occupancy is by an owner-  
18 condemnee and where such agreement does not violate the public policy  
19 of this state of ensuring decent, safe, and sanitary housing and is  
20 so certified by the consumer protection division of the attorney  
21 general's office;

22 ~~((5))~~ (6) Rental agreements for the use of any single-family  
23 residence (~~which~~) that are incidental to leases or rentals entered  
24 into in connection with a lease of land to be used primarily for  
25 agricultural purposes;

26 ~~((6))~~ (7) Rental agreements providing housing for seasonal  
27 agricultural employees while provided in conjunction with such  
28 employment;

29 ~~((7))~~ (8) Rental agreements with the state of Washington,  
30 department of natural resources, on public lands governed by Title 79  
31 RCW;

32 ~~((8))~~ (9) Occupancy by an employee of a landlord whose right to  
33 occupy is conditioned upon employment in or about the premises.

--- END ---