
ENGROSSED SUBSTITUTE HOUSE BILL 1515

State of Washington

67th Legislature

2021 Regular Session

By House Housing, Human Services & Veterans (originally sponsored by Representatives Peterson, Springer, Simmons, Santos, Taylor, Shewmake, Dufault, Barkis, Thai, Ormsby, and Lekanoff)

READ FIRST TIME 02/15/21.

1 AN ACT Relating to security deposit waiver fees; and adding a new
2 section to chapter 59.18 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 59.18
5 RCW to read as follows:

6 (1) Notwithstanding any other provision of law, if a landlord
7 chooses to waive a security deposit requirement, and a tenant agrees
8 to instead pay a fee in lieu of a security deposit, the landlord
9 shall:

10 (a) Ensure that the fee in lieu of a security deposit is strictly
11 optional for the tenant, and the tenant may choose to pay a full
12 security deposit rather than a fee in lieu of a security deposit;

13 (b) Not use a prospective tenant's choice to pay a fee in lieu of
14 a security deposit or a traditional security deposit as a criterion
15 in the determination of whether to approve an application for
16 occupancy;

17 (c) If choosing to offer the fee in lieu of a security deposit
18 option, offer it to every prospective tenant whose application for
19 occupancy has been approved, without further regard to income, race,
20 gender, disability, sexual orientation, immigration status, size of
21 household, or credit score following such approval;

1 (d) Allow any tenant that agrees to pay a fee in lieu of a
2 security deposit, to opt out of the continuing fee in lieu of a
3 security deposit obligation upon full payment of the security deposit
4 that is otherwise in effect for the tenant's apartment on the day of
5 the opt out; and

6 (e) Disclose to the tenant in writing:

7 (i) The terms of any insurance coverage purchased by the landlord
8 for unpaid rent and unit damage and paid for by the tenant through
9 fees charged in lieu of a security deposit including, but not limited
10 to, the amount of any cap on coverage, and costs excluded from such
11 coverage; and

12 (ii) That the payment of the fee in lieu of a security deposit
13 does not preclude the insurer or the landlord from proceeding against
14 the tenant to recover sums for damage to the property for which the
15 tenant is responsible together with reasonable attorneys' fees.

16 (2) A landlord found in violation of subsection (1) of this
17 section shall be held liable to the tenant in a civil action up to
18 two times the monthly rent of the real property at issue, as well as
19 court or arbitration costs and reasonable attorneys' fees.

20 (3) Any fee in lieu of a security deposit:

21 (a) May be entirely or partially nonrefundable, so long as this
22 is disclosed in the lease and separately acknowledged by the tenant;

23 (b) Does not constitute rent as defined in RCW 59.18.030,
24 provided that nothing in this section shall preclude the landlord
25 from proceeding in a civil action against, and the landlord shall
26 have the right to proceed against, a tenant to recover unpaid fees;

27 (c) May be utilized by the landlord to purchase insurance
28 coverage for unpaid rent or unit damage from a lawful insurer,
29 provided that a landlord may not charge a fee that is more than the
30 reasonable cost of obtaining and administering such insurance. As of
31 July 1, 2024, all insurance policies relating to this section must be
32 from insurance companies authorized to transact insurance in this
33 state by the insurance commissioner;

34 (d) May be a recurring monthly fee, or payable upon any schedule
35 and in any amount that the landlord and tenant choose, provided that
36 the first month's fee is a nonrefundable fee as contemplated under
37 RCW 59.18.610; and

38 (e) Shall not be considered by a court, arbitrator, mediator, or
39 any other dispute resolution adjudicator to be a security deposit or
40 governed by state or local codes governing security deposits, except

1 that any action taken against a tenant to recover for costs of
2 repairs, whether by the landlord or an insurer, shall be commenced
3 within one year of the termination of the rental agreement or the
4 tenant's abandonment of the premises and shall otherwise comply with
5 the requirements in RCW 59.18.280 insofar as they relate to
6 documentation of damages, standards for normal wear and tear, or
7 other standards of proof required to make a claim against a deposit
8 in RCW 59.18.280.

--- END ---