HOUSE BILL 2578

State of Washington 65th Legislature 2018 Regular Session

By Representatives Riccelli, Kirby, Macri, Peterson, Appleton, McBride, Frame, Doglio, Stanford, and Goodman

- AN ACT Relating to preserving and expanding rental housing options for persons whose source of income is derived from or includes sources other than employment; amending 2017 3rd sp.s. c 4 s 1028 (uncodified); adding a new section to chapter 59.18 RCW; adding new sections to chapter 43.31 RCW; and prescribing penalties.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. A new section is added to chapter 59.18 RCW to read as follows:
- 9 (1) A landlord may not, based on the source of income of an otherwise eligible prospective tenant or current tenant:
- 11 (a) Refuse to lease or rent any real property to a prospective 12 tenant or current tenant, unless the prospective tenant's or current 13 tenant's source of income is conditioned on the real property passing 14 inspection, and the written estimate of the cost of improvements 15 necessary to pass inspection is six times the monthly rent of the 16 real property;
- 17 (b) Expel a prospective tenant or current tenant from any real 18 property;
- 19 (c) Make any distinction, discrimination, or restriction against 20 a prospective tenant or current tenant in the price, terms, 21 conditions, fees, or privileges relating to the rental, lease, or

p. 1 HB 2578

occupancy of real property or in the furnishing of any facilities or services in connection with the rental, lease, or occupancy of real property;

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- (d) Attempt to discourage the rental or lease of any real property to a prospective tenant or current tenant;
- (e) Assist, induce, incite, or coerce another person to commit an act or engage in a practice that violates this section;
- (f) Coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of the person having exercised or enjoyed or having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected under this section;
- (g) Represent to a person that a dwelling unit is not available for rental when the dwelling unit in fact is available for rental; or
 - (h) Otherwise make unavailable or deny a dwelling unit to a prospective tenant or current tenant that, but for his or her source of income, would be eligible to rent real property.
 - (2) A landlord may not, based on the source of income of an otherwise eligible prospective tenant or current tenant, publish, circulate, issue, or display, or cause to be published, circulated, issued, or displayed, any communication, notice, advertisement, or sign of any kind relating to the rental or lease of real property that indicates any source of income.
 - (3) If a landlord requires that a prospective tenant or current tenant have a certain threshold level of income, any source of income in the form of a rent voucher or subsidy must be subtracted from the total of the monthly rent prior to calculating if the income criteria have been met.
- 29 (4) A person in violation of this section shall be held liable in 30 a civil action for four times the monthly rent of the real property 31 at issue, as well as court costs and reasonable attorneys' fees.
 - (5) As used in this section, "source of income" includes benefits or subsidy programs including housing assistance, public assistance, emergency rental assistance, veterans benefits, social security, supplemental security income or other retirement programs, and other programs administered by any federal, state, local, or nonprofit entity. "Source of income" does not include income derived in an illegal manner.

p. 2 HB 2578

- NEW SECTION. Sec. 2. A new section is added to chapter 43.31
 RCW to read as follows:
- 3 (1) Subject to the availability of funds for this purpose, the landlord mitigation program is created.
 - (2) In order for a claim to be eligible for reimbursement from the landlord mitigation program account, a landlord must:

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- (a) First make repairs and then apply for reimbursement; and
- (b) Submit copies of the move-in inspection, descriptions and documentation of the damages upon move-out, including before repair and after repair photographs, and copies of repair receipts for labor and materials.
 - (3) Properly submitted and complete claims shall be reviewed by the department within five business days of receipt. In reviewing a claim, and determining eligibility for reimbursement, the department must also confirm that the claim involves a private market rental unit rented to a tenant whose source of income is specified in section 1(5) of this act.
- (4) Damages from a tenancy must total at least five hundred dollars in order for a claim to be eligible for reimbursement from the program. Damages may exceed five thousand dollars, however reimbursement from the program may not exceed five thousand dollars per tenancy.
- (5) Damages, beyond wear and tear, that are eligible for reimbursement include, but are not limited to: Interior wall gouges and holes; damage to doors and cabinets, including hardware; carpet stains or burns; cracked tiles; broken windows; damage to household fixtures such as disposal, toilet, sink, sink handle, ceiling fan, and lighting. Other property damage beyond normal wear and tear may also be eligible for reimbursement. Damages may also include unpaid rent.
- 31 (6) A landlord in receipt of reimbursement from the program is 32 prohibited from:
- 33 (a) Taking legal action against the tenant for the same damages 34 for which he or she was reimbursed; or
- 35 (b) Pursuing collection, or authorizing another entity to pursue 36 collection on the landlord's behalf, of a judgment against the tenant 37 for the same damages for which he or she was reimbursed.
- 38 (7) A report to the appropriate committees of the legislature on 39 the effectiveness of the program and modifications recommended by the 40 department of commerce shall be submitted by January 1, 2021.

p. 3 HB 2578

- NEW SECTION. Sec. 3. A new section is added to chapter 43.31 RCW to read as follows:
- (1) The landlord mitigation program account is created in the 3 custody of the state treasury. All transfers and appropriations by 4 the legislature, repayments, private contributions, and all other 5 6 sources must be deposited into the account. Expenditures from the 7 account may only be used for the landlord mitigation program under this chapter to reimburse for damages caused to private market rental 8 units during the time of their rental to tenants whose source of 9 income is specified in section 1(5) of this act. Only the director or 10 11 the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 12 RCW, but an appropriation is not required for expenditures. 13
- 14 (2) Administrative costs associated with application, distribution, and other program activities of the department may not 15 exceed three percent of the annual funds available for the landlord 16 17 mitigation program. Reappropriations must not be included in the 18 calculation of the annual funds available for determining the administrative costs. 19
- 20 **Sec. 4.** 2017 3rd sp.s. c 4 s 1028 (uncodified) is amended to 21 read as follows:
- 22 FOR THE DEPARTMENT OF COMMERCE
- 23 Rapid Housing Improvement Program (30000863)
- The reappropriation in this section is subject to the following conditions and limitations:
- 26 <u>(1) Except as provided in subsection (2) of this section, the</u> 27 reappropriation is subject to the provisions of section 1010, chapter 28 35, Laws of 2016 sp. sess.
- 29 (2) The department may use the reappropriation to implement this 30 act.
- 31 Reappropriation:

32	Washington Housing Trust Account—State	\$194,000
33	Prior Biennia (Expenditures)	\$31,000
34	Future Biennia (Projected Costs)	\$0
35	TOTAL	\$225,000

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p. 4 HB 2578