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## SENATE BILL 6321

State of Washington

68th Legislature

2024 Regular Session

By Senator Cleveland

AN ACT Relating to improving housing stability for tenants 1 2 subject to the residential landlord-tenant act and the manufactured/ 3 mobile home landlord-tenant act by limiting late fees, requiring additional notice of rent increases, limiting nonrefundable fees and 4 deposits, extending requirements for payment plans, and creating a 5 study of rental assistance; amending RCW 59.18.140, 6 59.18.170, 7 59.18.410, 59.18.270, 59.18.285, 59.18.610, 59.20.090, 59.20.170, 8 59.20.060, and 59.20.030; adding a new section to chapter 35.21 RCW; adding a new section to chapter 36.01 RCW; adding a new section to 9 10 chapter 43.185A RCW; prescribing penalties; and providing expiration date. 11

- 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 13 RCW 59.18.140 and 2019 c 105 s 1 are each amended to Sec. 1. read as follows: 14
- (1) The tenant shall conform to all reasonable obligations or 16 restrictions, whether denominated by the landlord as rules, rental agreement, rent, or otherwise, concerning the use, occupation, and maintenance of his or her dwelling unit, appurtenances thereto, and 19 the property of which the dwelling unit is a part if such obligations and restrictions are not in violation of any of the terms of this chapter and are not otherwise contrary to law, and if such

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obligations and restrictions are brought to the attention of the tenant at the time of his or her initial occupancy of the dwelling unit and thus become part of the rental agreement.

- (2) Except for termination of tenancy and an increase in the amount of rent, after ((thirty)) 30 days written notice to each affected tenant, a new rule of tenancy may become effective upon completion of the term of the rental agreement or sooner upon mutual consent.
- (3) (a) Except as provided in (b) and (c) of this subsection, a landlord shall provide a minimum of ((sixty)) 90 days' prior written notice of an increase in the amount of rent to each affected tenant, and any increase in the amount of rent may not become effective prior to the completion of the term of the rental agreement.
- (b) If the rental agreement governs a subsidized tenancy where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, a landlord shall provide a minimum of ((thirty)) 30 days' prior written notice of an increase in the amount of rent to each affected tenant. An increase in the amount of rent may become effective upon completion of the term of the rental agreement or sooner upon mutual consent.
- (c) If a landlord intends to increase the rent and fees combined in an amount of five percent or more, the landlord must provide written notice to each affected tenant a minimum of 120 days before the effective date of the increase, except if the tenancy is subject to restrictions in subsection (4) of this section.
- (d) If a landlord intends to increase the rent and fees combined in an amount of 10 percent or more, the landlord must provide written notice to each affected tenant a minimum of 180 days before the effective date of the increase, except if the tenancy is subject to restrictions in subsection (4) of this section.
  - (4) Subsection (2) of this section does not apply if:
- (a) A tenancy is in a dwelling unit owned by a:
  - (i) Public housing authority;

- 34 (ii) Public development authority; or
- 35 <u>(iii) Nonprofit organization, where maximum rents are regulated</u> 36 <u>by other laws or local, state, or federal affordable housing program</u> 37 requirements; or
- 38 (b) The tenancy is in a qualified low-income housing development 39 as defined in RCW 82.45.010, where the property is owned by any of

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- 1 the organizations described in (a)(i) through (iii) of this
- 2 <u>subsection</u>.

- **Sec. 2.** RCW 59.18.170 and 2020 c 177 s 1 are each amended to 4 read as follows:
  - (1) If at any time during the tenancy the tenant fails to carry out the duties required by RCW 59.18.130 or 59.18.140, the landlord may, in addition to pursuit of remedies otherwise provided by law, give written notice to the tenant of said failure, which notice shall specify the nature of the failure.
    - (2) The landlord may not charge a late fee for rent that is paid within five days following its due date. If rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. Late fees may not exceed 10 percent of the tenant's total rent per month. Nothing in this subsection prohibits a landlord from serving a notice to pay or vacate at any time after the rent becomes due.
    - (3) When late fees may be assessed after rent becomes due, the tenant may propose that the date rent is due in the rental agreement be altered to a different due date of the month. The landlord shall agree to such a proposal if it is submitted in writing and the tenant can demonstrate that his or her primary source of income is a regular, monthly source of governmental assistance that is not received until after the date rent is due in the rental agreement. The proposed rent due date may not be more than five days after the date the rent is due in the rental agreement. Nothing in this subsection shall be construed to prevent a tenant from making a request for reasonable accommodation under federal, state, or local law.
- **Sec. 3.** RCW 59.18.410 and 2023 c 336 s 2 are each amended to 30 read as follows:
  - (1) If at trial the verdict of the jury or, if the case is tried without a jury, the finding of the court is in favor of the landlord and against the tenant, judgment shall be entered for the restitution of the premises; and if the proceeding is for unlawful detainer after neglect or failure to perform any condition or covenant of a lease or agreement under which the property is held, or after default in the payment of rent, the judgment shall also declare the forfeiture of the lease, agreement, or tenancy. The jury, or the court, if the

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proceedings are tried without a jury, shall also assess the damages arising out of the tenancy occasioned to the landlord by any forcible entry, or by any forcible or unlawful detainer, alleged in the complaint and proved at trial, and, if the alleged unlawful detainer is based on default in the payment of rent, find the amount of any rent due, and the judgment shall be rendered against the tenant liable for the forcible entry, forcible detainer, or unlawful detainer for the amount of damages thus assessed, for the rent, if any, found due, and late fees if such fees are due under the lease and do not exceed ((\$75 in total)) those permitted under RCW 59.18.170. The court may award statutory costs. The court may also award reasonable attorneys' fees as provided in RCW 59.18.290.

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(2) When the tenant is liable for unlawful detainer after a default in the payment of rent, execution upon the judgment shall not occur until the expiration of five court days after the entry of the judgment. Before entry of a judgment or until five court days have expired after entry of the judgment, unless the tenant provides a pledge of financial assistance letter from a government or nonprofit entity, in which case the tenant has until the date of eviction, the tenant or any subtenant, or any mortgagee of the term, or other party interested in the continuance of the tenancy, may pay into court or to the landlord the amount of the rent due, any court costs incurred at the time of payment, late fees if such fees are due under the lease and do not exceed ((\$75 in total)) those permitted under RCW 59.18.170, and attorneys' fees if awarded, in which event any judgment entered shall be satisfied and the tenant restored to his or her tenancy. If the tenant seeks to restore his or her tenancy after entry of a judgment, the tenant may tender the amount stated within the judgment as long as that amount does not exceed the amount authorized under subsection (1) of this section. If a tenant seeks to restore his or her tenancy and pay the amount set forth in this subsection with funds acquired through an emergency rental assistance program provided by a governmental or nonprofit entity, the tenant shall provide a copy of the pledge of emergency rental assistance provided from the appropriate governmental or nonprofit entity and have an opportunity to exercise such rights under this subsection, which may include a stay of judgment and provision by the landlord of documentation necessary for processing the assistance. The landlord shall accept any pledge of emergency rental assistance funds provided to the tenant from a governmental or nonprofit entity before the

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expiration of any pay or vacate notice for nonpayment of rent for the 1 full amount of the rent owing under the rental agreement. 2 3 landlord shall accept any written pledge of emergency rental assistance funds provided to the tenant from a governmental or 4 nonprofit entity after the expiration of the pay or vacate notice if 5 6 the pledge will contribute to the total payment of both the amount of 7 rent due, including any current rent, and other amounts if required under this subsection. The landlord shall suspend any court action 8 for 14 court days after providing necessary payment information to 9 the nonprofit or governmental entity to allow for payment of the 10 11 emergency rental assistance funds. By accepting such pledge of 12 emergency rental assistance, the landlord is not required to enter into any additional conditions not related to the provision of 13 necessary payment information and documentation. If a judgment has 14 been satisfied, the landlord shall file a satisfaction of judgment 15 16 with the court. A tenant seeking to exercise rights under this 17 subsection shall pay an additional \$50 for each time the tenant was reinstated after judgment pursuant to this subsection within the 18 19 previous 12 months prior to payment. If payment of the amount specified in this subsection is not made within five court days after 20 21 the entry of the judgment, the judgment may be enforced for its full 22 amount and for the possession of the premises.

- (3) (a) Following the entry of a judgment in favor of the landlord and against the tenant for the restitution of the premises and forfeiture of the tenancy due to nonpayment of rent, the court, at the time of the show cause hearing or trial, or upon subsequent motion of the tenant but before the execution of the writ of restitution, may stay the writ of restitution upon good cause and on such terms that the court deems fair and just for both parties. In making this decision, the court shall consider evidence of the following factors:
- (i) The tenant's willful or intentional default or intentional failure to pay rent;
- 34 (ii) Whether nonpayment of the rent was caused by exigent 35 circumstances that were beyond the tenant's control and that are not 36 likely to recur;
  - (iii) The tenant's ability to timely pay the judgment;
- 38 (iv) The tenant's payment history;

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39 (v) Whether the tenant is otherwise in substantial compliance 40 with the rental agreement;

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(vi) Hardship on the tenant if evicted; and

- 2 (vii) Conduct related to other notices served within the last six 3 months.
  - (b) The burden of proof for such relief under this subsection (3) shall be on the tenant. If the tenant seeks relief pursuant to this subsection (3) at the time of the show cause hearing, the court shall hear the matter at the time of the show cause hearing or as expeditiously as possible so as to avoid unnecessary delay or hardship on the parties.
    - (c) In any order issued pursuant to this subsection (3):
  - (i) The court shall not stay the writ of restitution more than 90 days from the date of order, but may order repayment of the judgment balance within such time. If the payment plan is to exceed 30 days, the total cumulative payments for each 30-day period following the order shall be no less than one month of the tenant's share of the rent, and the total amount of the judgment and all additional rent that is due shall be paid within 90 days.
  - (ii) Within any payment plan ordered by the court, the court shall require the tenant to pay to the landlord or to the court one month's rent within five court days of issuance of the order. If the date of the order is on or before the 15th of the month, the tenant shall remain current with ongoing rental payments as they become due for the duration of the payment plan; if the date of the order is after the 15th of the month, the tenant shall have the option to apportion the following month's rental payment within the payment plan, but monthly rental payments thereafter shall be paid according to the rental agreement.
  - (iii) The sheriff may serve the writ of restitution upon the tenant before the expiration of the five court days of issuance of the order; however, the sheriff shall not execute the writ of restitution until after expiration of the five court days in order for payment to be made of one month's rent as required by (c)(ii) of this subsection. In the event payment is made as provided in (c)(ii) of this subsection for one month's rent, the court shall stay the writ of restitution ex parte without prior notice to the landlord upon the tenant filing and presenting a motion to stay with a declaration of proof of payment demonstrating full compliance with the required payment of one month's rent. Any order staying the writ of restitution under this subsection (3)(c)(iii) shall require the tenant to serve a copy of the order on the landlord by personal

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- delivery, first-class mail, facsimile, or email if agreed to by the parties.
- 3 (A) If the tenant has satisfied (c)(ii) of this subsection by paying one month's rent within five court days, but defaults on a 4 subsequent payment required by the court pursuant to this subsection 5 6 (3)(c), the landlord may enforce the writ of restitution after 7 serving a notice of default in accordance with RCW 59.12.040 informing the tenant that he or she has defaulted on rent due under 8 9 the lease agreement or payment plan entered by the court. Upon service of the notice of default, the tenant shall have three 10 11 calendar days from the date of service to vacate the premises before 12 the sheriff may execute the writ of restitution.
- 13 (B) If the landlord serves the notice of default described under 14 this subsection (3)(c)(iii), an additional day is not included in 15 calculating the time before the sheriff may execute the writ of 16 restitution. The notice of default must be in substantially the 17 following form:
- 18 NOTICE OF DEFAULT FOR RENT AND/OR PAYMENT PLAN ORDERED BY COURT
- 19 NAME(S)
- 20 ADDRESS
- 21 CITY, STATE, ZIP
- 22 THIS IS NOTICE THAT YOU ARE IN DEFAULT OF YOUR RENT AND/OR
- 23 PAYMENT PLAN ORDERED BY THE COURT. YOUR LANDLORD HAS RECEIVED THE
- 24 FOLLOWING PAYMENTS:
- 25 DATE
- 26 AMOUNT
- 27 DATE
- 28 AMOUNT
- 29 DATE
- 30 AMOUNT
- 31 THE LANDLORD MAY SCHEDULE YOUR PHYSICAL EVICTION WITHIN THREE
- 32 CALENDAR DAYS OF SERVICE OF THIS NOTICE. TO STOP A PHYSICAL
- 33 EVICTION, YOU ARE REQUIRED TO PAY THE BALANCE OF YOUR RENT AND/OR
- PAYMENT PLAN IN THE AMOUNT OF \$. . . . . .
- 35 PAYMENT MAY BE MADE TO THE COURT OR TO THE LANDLORD. IF YOU FAIL
- 36 TO PAY THE BALANCE WITHIN THREE CALENDAR DAYS, THE LANDLORD MAY
- 37 PROCEED WITH A PHYSICAL EVICTION FOR POSSESSION OF THE UNIT THAT
- 38 YOU ARE RENTING.

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1 DATE

2 SIGNATURE

3 LANDLORD/AGENT

4 NAME

5 ADDRESS

6 PHONE

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- 7 (iv) If a tenant seeks to satisfy a condition of this subsection 8 (3)(c) by relying on an emergency rental assistance program provided 9 by a government or nonprofit entity and provides an offer of proof, 10 the court shall stay the writ of restitution as necessary to afford 11 the tenant an equal opportunity to comply.
- 12 (v) The court shall extend the writ of restitution as necessary 13 to enforce the order issued pursuant to this subsection (3)(c) in the 14 event of default.
  - (d) A tenant who has been served with three or more notices to pay or vacate for failure to pay rent as set forth in RCW 59.12.040 within twelve months prior to the notice to pay or vacate upon which the proceeding is based may not seek relief under this subsection (3), unless the court determines any of the notices served were invalid or did not otherwise comply with the requirements of this chapter.
  - (e)(i) In any application seeking relief pursuant to this subsection (3) by either the tenant or landlord, the court shall issue a finding as to whether the tenant is low-income, limited resourced, or experiencing hardship to determine if the parties would be eligible for disbursement through the landlord mitigation program account established within RCW 43.31.605(1)(b). In making this finding, the court may include an inquiry regarding the tenant's income relative to area median income, household composition, any extenuating circumstances, or other factors, and may rely on written declarations or oral testimony by the parties at the hearing.
  - (ii) After a finding that the tenant is low-income, limited resourced, or experiencing hardship, the court may issue an order: (A) Finding that the landlord is eligible to receive on behalf of the tenant and may apply for reimbursement from the landlord mitigation program; and (B) directing the clerk to remit, without further order of the court, any future payments made by the tenant in order to reimburse the department of commerce pursuant to RCW 43.31.605(1)(b)(iii). In accordance with RCW 43.31.605(1)(b), such an

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order must be accompanied by a copy of the order staying the writ of restitution. Nothing in this subsection (3)(e) shall be deemed to obligate the department of commerce to provide assistance in claim reimbursement through the landlord mitigation program if there are not sufficient funds.

- (iii) If the department of commerce fails to disburse payment to the landlord for the judgment pursuant to this subsection (3)(e) within 30 days from submission of the application, the landlord may renew an application for a writ of restitution pursuant to RCW 59.18.370 and for other rent owed by the tenant since the time of entry of the prior judgment. In such event, the tenant may exercise rights afforded under this section.
- (iv) Upon payment by the department of commerce to the landlord for the remaining or total amount of the judgment, as applicable, the judgment is satisfied and the landlord shall file a satisfaction of judgment with the court.
- (v) Nothing in this subsection (3)(e) prohibits the landlord from otherwise applying for reimbursement for an unpaid judgment pursuant to RCW 43.31.605(1)(b) after the tenant defaults on a payment plan ordered pursuant to (c) of this subsection.
- (vi) If a tenant demonstrates an ability to pay in order to reinstate the tenancy by means of disbursement through the landlord mitigation program account established within RCW 43.31.605(1)(b):
- (A) Any restrictions imposed under (d) of this subsection do not apply in determining if a tenant is eligible for reinstatement under this subsection (3); and
- (B) Reimbursement on behalf of the tenant to the landlord under RCW 43.31.605(1)(b) may include up to three months of prospective rent to stabilize the tenancy as determined by the court.
- (4) If a tenant seeks to stay a writ of restitution issued pursuant to this chapter, the court may issue an ex parte stay of the writ of restitution provided the tenant or tenant's attorney submits a declaration indicating good faith efforts were made to notify the other party or, if no efforts were made, why notice could not be provided prior to the application for an ex parte stay, and describing the immediate or irreparable harm that may result if an immediate stay is not granted. The court shall require service of the order and motion to stay the writ of restitution by personal delivery, mail, facsimile, or other means most likely to afford all parties notice of the court date.

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- 1 (5) In all other cases the judgment may be enforced immediately. 2 If a writ of restitution shall have been executed prior to judgment 3 no further writ or execution for the premises shall be required.
- 4 (6) This section also applies if the writ of restitution is 5 issued pursuant to a final judgment entered after a show cause 6 hearing conducted in accordance with RCW 59.18.380.
- 7 **Sec. 4.** RCW 59.18.270 and 2011 c 132 s 14 are each amended to 8 read as follows:

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- (1) A landlord shall not charge a tenant a security deposit exceeding two month's rent, except as provided in subsection (4) of this section. Where a landlord charges last month's rent at the inception of the tenancy, a landlord may not charge a security deposit greater than one month's rent.
- (2) All moneys paid to the landlord by the tenant as a deposit as security for performance of the tenant's obligations in a lease or rental agreement or for accepting a tenant's pet shall promptly be deposited by the landlord in a trust account, maintained by the landlord for the purpose of holding such security deposits for tenants of the landlord, in a financial institution as defined by RCW ((30.22.041)) 30A.22.041 or licensed escrow agent located Washington. Unless otherwise agreed in writing, the landlord shall be entitled to receipt of interest paid on such trust account deposits. The landlord shall provide the tenant with a written receipt for the deposit and shall provide written notice of the name and address and location of the depository and any subsequent change thereof. If during a tenancy the status of landlord is transferred to another, any sums in the deposit trust account affected by such transfer shall simultaneously be transferred to an equivalent trust account of the successor landlord, and the successor landlord shall promptly notify the tenant of the transfer and of the name, address, and location of the new depository. If, during the tenancy, the tenant's dwelling unit is foreclosed upon and the tenant's deposit is not transferred to the successor after the foreclosure sale or other transfer of the property from the foreclosed-upon owner to a successor, the foreclosed-upon owner shall promptly refund the full deposit to the tenant immediately after the foreclosure sale or transfer. If the foreclosed-upon owner does not either immediately refund the full deposit to the tenant or transfer the deposit to the successor, the foreclosed-upon owner is liable to the tenant for damages up to two

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- times the amount of the deposit. In any action brought by the tenant to recover the deposit, the prevailing party is entitled to recover the costs of suit or arbitration, including reasonable attorneys' fees. The tenant's claim to any moneys paid under this section shall be prior to that of any creditor of the landlord, including a trustee in bankruptcy or receiver, even if such moneys are commingled.
- 7 (3) Subsection (1) of this section does not apply if the rental agreement governs a subsidized tenancy where the amount of rent is 8 based on, in whole or in part, a percentage of the income of the 9 10 tenant or other <u>circumstance</u> specific to the subsidized household. However, for the purpose of this section, a subsidized tenancy does 11 not include tenancies where some or all of the rent paid to the 12 landlord comes from a portable tenant-based voucher or similar 13 portable assistance administered through a housing authority or other 14 15 state or local agency, or tenancies in other types of affordable housing where the maximum unit rents are limited by area median 16 17 income levels and a tenant's base rent does not change as the tenant's income does. 18
- 19 <u>(4) A landlord shall not charge a tenant without any rental</u>
  20 <u>history a security deposit exceeding one month's rent. A tenant is</u>
  21 <u>considered to be without any rental history if the tenant screening</u>
  22 <u>provided by RCW 59.18.257 does not provide any verifiable rental</u>
  23 history.

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- (5) A landlord may charge a tenant a deposit in addition to the deposit identified in this section as a condition of accepting a tenant's pet. The deposit to accept a pet may not exceed \$300 from a prospective or current tenant, and if a deposit to accept a pet is required, the deposit shall be collected, maintained, and refunded in accordance with the provisions set forth under this section and RCW 59.18.280.
- 31 (6) A landlord shall not charge a tenant a deposit to accept a 32 pet, where the pet meets the definition of a service animal under RCW 33 49.60.040, or is required based on a qualifying request under RCW 49.60.222.
- 35 **Sec. 5.** RCW 59.18.285 and 2011 c 132 s 15 are each amended to 36 read as follows:
- 37 (1) A landlord shall not charge a tenant any nonrefundable fee at the inception of the tenancy, except as provided in this section.
  - (2) A landlord may charge a tenant fee pursuant to RCW 59.18.253.

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(3) A landlord may charge a tenant fee pursuant to RCW 59.18.257.

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- (4) No moneys paid to the landlord which are nonrefundable may be 2 3 designated as a deposit or as part of any deposit. If any moneys are paid to the landlord as a nonrefundable fee, the rental agreement 4 shall be in writing and shall clearly specify that the fee is 5 6 nonrefundable. If the landlord fails to provide a written rental 7 agreement, the landlord is liable to the tenant for the amount of any fees collected as nonrefundable fees. If the written rental agreement 8 fails to specify that the fee is nonrefundable, the fee must be 9 treated as a refundable deposit under RCW 59.18.260, 59.18.270, and 10 11 59.18.280.
- **Sec. 6.** RCW 59.18.610 and 2020 c 169 s 1 are each amended to 12 13 read as follows:
- (1) (a) Except as provided in (b) of this subsection, upon receipt 14 of a tenant's written request, a landlord must permit the tenant to pay any deposits, nonrefundable fees, and last month's rent 17 installments.
- (b) A landlord is not required to permit a tenant to pay in 18 installments if the total amount of the deposits ((and nonrefundable 19 20 fees)) do not exceed ((twenty-five)) 25 percent of the first full month's rent and payment of the last month's rent is not required at 21 the inception of the tenancy. 22
  - (2) In all cases where premises are rented for a specified time that is ((three)) six months or longer, the tenant may elect to pay any deposits, nonrefundable fees, and last month's rent in three consecutive and equal monthly installments, beginning at the inception of the tenancy. In all other cases, the tenant may elect to pay any deposits, nonrefundable fees, and last month's rent in two consecutive and equal monthly installments, beginning at the inception of the tenancy.
  - (3) A landlord may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because a tenant elects to pay in installments. Installment payments are due at the same time as rent is due. All installment schedules must be in writing and signed by the landlord and the tenant.
- (4)(a) A fee or deposit to hold a dwelling unit or secure that 36 37 the prospective tenant will move into a dwelling unit, as authorized 38 under RCW 59.18.253, shall not be considered a deposit nonrefundable fee for purposes of this section. 39

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(b) A fee charged to the prospective tenant, authorized by RCW 59.18.257, shall not be considered a deposit or nonrefundable fee for the purpose of this section.

- (c) A landlord may not request a fee or deposit to hold a dwelling unit or secure that the prospective tenant will move into a dwelling unit in excess of ((twenty-five)) 25 percent of ((the first)) one month's rent.
- (5) ((Beginning January 1, 2021, any)) Any landlord who refuses to permit a tenant to pay any deposits, nonrefundable fees, and last month's rent in installments upon the tenant's written request as described in subsection (1) of this section is subject to a statutory penalty of one month's rent and reasonable attorneys' fees payable to the tenant.
- (6) (a) In any application seeking relief pursuant RCW 59.18.283(3), the court shall issue a finding as to whether the tenant is low-income, limited resourced, or experiencing hardship to determine if the landlord would be eligible for reimbursement through the landlord mitigation program account established within RCW 43.31.605(1)(((e))) (b). In making this finding, the court may include an inquiry regarding the tenant's income relative to area median income, household composition, any extenuating circumstances, or other factors, and may rely on written declarations or oral testimony by the parties at the hearing.
- (b) After a finding that the tenant is low-income, limited resourced, or experiencing hardship, the court may issue an order: (i) Finding that the landlord is eligible to receive on behalf of the tenant and may apply for reimbursement from the landlord mitigation program; and (ii) directing the clerk to remit, without further order of the court, any future payments made by the tenant in order to reimburse the department of commerce pursuant to RCW 43.31.605(1) (((e))) (b)(iii). Nothing in this subsection shall be deemed to obligate the department of commerce to provide assistance in claim reimbursement through the landlord mitigation program if there are not sufficient funds.
- (c) Upon payment by the department of commerce to the landlord for the remaining or total amount of the judgment, as applicable, the judgment is satisfied and the landlord shall file a satisfaction of judgment with the court.

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**Sec. 7.** RCW 59.20.090 and 2019 c 23 s 5 are each amended to read 2 as follows:

- (1) Unless otherwise agreed rental agreements shall be for a term of one year. Any rental agreement of whatever duration shall be automatically renewed for the term of the original rental agreement, unless a different specified term is agreed upon.
- (2) ((A)) (a) Except as provided in (b) of this subsection, a landlord seeking to increase the rent upon expiration of the term of a rental agreement of any duration shall notify the tenant in writing three months prior to the effective date of any increase in rent.
- (b) If a landlord intends to increase the rent and fees combined in an amount of five percent or more, the landlord must provide written notice to each affected tenant a minimum of 120 days before the effective date of the increase. This subsection (2) (b) does not apply to any tenancy in a manufactured/mobile home lot that qualifies for an exemption under RCW 59.20.170.
- (3) ((A)) Except as provided in subsection (4) of this section, a tenant shall notify the landlord in writing one month prior to the expiration of a rental agreement of an intention not to renew.
- (4)(a) The tenant may terminate the rental agreement upon ((thirty)) 30 days written notice whenever a change in the location of the tenant's employment requires a change in his or her residence, and shall not be liable for rental following such termination unless after due diligence and reasonable effort the landlord is not able to rent the mobile home lot at a fair rental. If the landlord is not able to rent the lot, the tenant shall remain liable for the rental specified in the rental agreement until the lot is rented or the original term ends.
- (b) Any tenant who is a member of the armed forces, including the national guard and armed forces reserves, or that tenant's spouse or dependent, may terminate a rental agreement with less than ((thirty)) 30 days notice if the tenant receives permanent change of station or deployment orders which do not allow greater notice. The service member shall provide the landlord a copy of the official military orders or a signed letter from the service member's commanding officer confirming any of the following criteria are met:
- (i) The service member is required, pursuant to permanent change of station orders, to move ((thirty-five)) 35 miles or more from the location of the rental premises;

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- 1 (ii) The service member is prematurely or involuntarily 2 discharged or released from active duty;
  - (iii) The service member is released from active duty after having leased the rental premises while on active duty status and the rental premises is ((thirty-five)) 35 miles or more from the service member's home of record prior to entering active duty;
  - (iv) After entering into a rental agreement, the commanding officer directs the service member to move into government provided housing;
  - (v) The service member receives temporary duty orders, temporary change of station orders, or state active duty orders to an area ((thirty-five)) 35 miles or more from the location of the rental premises, provided such orders are for a period not less than ((ninety)) 90 days; or
- (vi) The service member has leased the property, but prior to taking possession of the rental premises, receives change of station orders to an area that is ((thirty-five)) 35 miles or more from the location of the rental premises.
- 19 (5) Subsection (1) of this section does not apply if:
- 20 (a) A tenancy in a manufactured/mobile home is owned by a:
- 21 <u>(i) Public housing authority;</u>

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- 22 <u>(ii) Public development authority; or</u>
- 23 <u>(iii) Nonprofit organization, where maximum rents are regulated</u>
  24 <u>by other laws or local, state, or federal affordable housing program</u>
  25 <u>requirements; or</u>
- 26 (b) The tenancy is in a qualified low-income housing development
  27 as defined in RCW 82.45.010, where the property is owned by any of
  28 the organizations described in (a)(i) through (iii) of this
  29 subsection.
- 30 **Sec. 8.** RCW 59.20.170 and 2004 c 136 s 2 are each amended to 31 read as follows:
- 32 (1) A landlord shall not charge a tenant a security deposit
  33 exceeding two month's rent, except as provided in subsection (4) of
  34 this section. Where a landlord charges last month's rent at the
  35 inception of the tenancy, a landlord may not charge a security
  36 deposit greater than one month's rent.
- 37 <u>(2)</u> All moneys paid to the landlord by the tenant as a deposit as 38 security for performance of the tenant's obligations in a rental 39 agreement shall promptly be deposited by the landlord in a trust

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account, maintained by the landlord for the purpose of holding such security deposits for tenants of the landlord, in a financial institution as defined by RCW ((30.22.041)) 30A.22.041 or licensed escrow agent located in Washington. ((Except as provided in subsection (2) of this section, unless)) Unless otherwise agreed in writing, the landlord shall be entitled to receipt of interest paid on such trust account deposits. The landlord shall provide the tenant with a written receipt for the deposit and shall provide written notice of the name and address and location of the depository and any subsequent change thereof. If during a tenancy the status of landlord is transferred to another, any sums in the deposit trust account affected by such transfer shall simultaneously be transferred to an equivalent trust account of the successor landlord, and the successor landlord shall promptly notify the tenant of the transfer and of the name, address and location of the new depository. The tenant's claim to any moneys paid under this section shall be prior to that of any creditor of the landlord, including a trustee in bankruptcy or receiver, even if such moneys are commingled.

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(((2) All moneys paid, in excess of two months' rent on the mobile home lot, to the landlord by the tenant as a deposit as security for performance of the tenant's obligations in a rental agreement shall be deposited into an interest-bearing trust account for the particular tenant. The interest accruing on the deposit in the account, minus fees charged to administer the account, shall be paid to the tenant on an annual basis. All other provisions of subsection (1) of this section shall apply to deposits under this subsection.))

(3) Subsection (1) of this section does not apply if the rental agreement governs a subsidized tenancy where the amount of rent is based on, in whole or in part, a percentage of the income of the tenant or other circumstances specific to the subsidized household. However, for the purposes of this section, a subsidized tenancy does not include tenancies where some or all of the rent paid to the landlord comes from a portable tenant-based voucher or similar portable assistance administered through a housing authority or other state or local agency, or tenancies in other types of affordable housing where the maximum rents are limited by area median income levels and a tenant's rent does not change as the tenant's income does.

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- 1 (4) A landlord shall not charge a tenant without any rental
  2 history a security deposit exceeding one month's rent. A tenant is
  3 considered to be without any rental history if the tenant screening
  4 provided by RCW 59.18.257 does not provide any verifiable rental
  5 history.
- **Sec. 9.** RCW 59.20.060 and 2023 c 40 s 3 are each amended to read 7 as follows:
- 8 (1) Any mobile home space tenancy regardless of the term, shall 9 be based upon a written rental agreement, signed by the parties, which shall contain:
  - (a) The terms for the payment of rent, including time and place, and any additional charges to be paid by the tenant. Additional charges that occur less frequently than monthly shall be itemized in a billing to the tenant;
- 15 (b) Reasonable rules for guest parking which shall be clearly 16 stated;
  - (c) The rules and regulations of the park;

- (d) The name and address of the person who is the landlord, and if such person does not reside in the state there shall also be designated by name and address a person who resides in the county where the mobile home park is located who is authorized to act as agent for the purposes of service of notices and process. If no designation is made of a person to act as agent, then the person to whom rental payments are to be made shall be considered the agent;
- (e) The name and address of any party who has a secured interest in the mobile home, manufactured home, or park model;
- (f) A forwarding address of the tenant or the name and address of a person who would likely know the whereabouts of the tenant in the event of an emergency or an abandonment of the mobile home, manufactured home, or park model;
- (g) A statement that: "The park may be sold or otherwise transferred at any time with the result that subsequent owners may close the mobile home park, or that the landlord may close the park at any time after the required closure notice as provided in RCW 59.20.080." The statement required by this subsection must: (i) Appear in print that is in boldface and is larger than the other text of the rental agreement; (ii) be set off by means of a box, blank space, or comparable visual device; and (iii) be located directly above the tenant's signature on the rental agreement;

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1 (h) A copy of a closure notice, as required in RCW 59.20.080, if 2 such notice is in effect;

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- (i) The terms and conditions under which any deposit or portion thereof may be withheld by the landlord upon termination of the rental agreement if any moneys are paid to the landlord by the tenant as a deposit or as security for performance of the tenant's obligations in a rental agreement;
- (j) A listing of the utilities, services, and facilities which will be available to the tenant during the tenancy and the nature of the fees, if any, to be charged together with a statement that, in the event any utilities are changed to be charged independent of the rent during the term of the rental agreement, the landlord agrees to decrease the amount of the rent charged proportionately;
- (k) A written description, picture, plan, or map of the boundaries of a mobile home space sufficient to inform the tenant of the exact location of the tenant's space in relation to other tenants' spaces;
- (1) A written description, picture, plan, or map of the location of the tenant's responsibility for utility hook-ups, consistent with RCW 59.20.130(6);
- 21 (m) A statement of the current zoning of the land on which the 22 mobile home park is located;
  - (n) A statement of the expiration date of any conditional use, temporary use, or other land use permit subject to a fixed expiration date that is necessary for the continued use of the land as a mobile home park; and
    - (o) A written statement containing accurate historical information regarding the past five years' rental amount charged for the lot or space.
- 30 (2) Any rental agreement executed between the landlord and tenant shall not contain any provision:
- 32 (a) Which allows the landlord to charge a fee for guest parking 33 unless a violation of the rules for guest parking occurs: PROVIDED, 34 That a fee may be charged for guest parking which covers an extended 35 period of time as defined in the rental agreement;
  - (b) Which authorizes the towing or impounding of a vehicle except upon notice to the owner thereof or the tenant whose guest is the owner of the vehicle;
- 39 (c) Which allows the landlord to alter the due date for rent 40 payment or increase the rent: (i) During the term of the rental

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agreement if the term is less than two years, or (ii) more frequently 1 than annually if the initial term is for two years or more: PROVIDED, 2 That a rental agreement may include an escalation clause for a pro 3 rata share of any increase in the mobile home park's real property 4 taxes or utility assessments or charges, over the base taxes or 5 utility assessments or charges of the year in which the rental 6 7 agreement took effect, if the clause also provides for a pro rata reduction in rent or other charges in the event of a reduction in 8 real property taxes or utility assessments or charges, below the base 9 year: PROVIDED FURTHER, That a rental agreement for a term exceeding 10 11 two years may provide for annual increases in rent in specified 12 amounts or by a formula specified in such agreement. Any rent increase authorized under this subsection (2)(c) that occurs within 13 the closure notice period pursuant to RCW 59.20.080(1)(e) may not be 14 more than one percentage point above the United States consumer price 15 16 index for all urban consumers, housing component, published by the 17 United States bureau of labor statistics in the periodical "Monthly Labor Review and Handbook of Labor Statistics" as established 18 19 annually by the department of commerce;

20 (d) By which the tenant agrees to waive or forego rights or 21 remedies under this chapter;

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- (e) Allowing the landlord to charge an "entrance fee" or an "exit fee." However, an entrance fee may be charged as part of a continuing care contract as defined in RCW 70.38.025;
- (f) Which allows the landlord to charge a fee for guests: PROVIDED, That a landlord may establish rules charging for guests who remain on the premises for more than 15 days in any 60-day period;
- (g) By which the tenant agrees to waive or forego homestead rights provided by chapter 6.13 RCW. This subsection shall not prohibit such waiver after a default in rent so long as such waiver is in writing signed by the husband and wife or by an unmarried claimant and in consideration of the landlord's agreement not to terminate the tenancy for a period of time specified in the waiver if the landlord would be otherwise entitled to terminate the tenancy under this chapter;
- 36 (h) By which, at the time the rental agreement is entered into, 37 the landlord and tenant agree to the selection of a particular 38 arbitrator;  $((\Theta r))$
- 39 (i) By which the tenant agrees to make rent payments through 40 electronic means only; or

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- (j) Allowing the landlord to charge a late fee for rent that is paid within five days following its due date. If rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. Late fees may not exceed 10 percent of the tenant's total rent per month. Nothing in this subsection prohibits a landlord from serving a notice to pay or vacate at any time after the rent becomes due.
- 8 (3) Any provision prohibited under this section that is included 9 in a rental agreement is unenforceable.
- **Sec. 10.** RCW 59.20.030 and 2023 c 40 s 2 are each amended to 11 read as follows:

12 For purposes of this chapter:

- (1) "Abandoned" as it relates to a mobile home, manufactured home, or park model owned by a tenant in a mobile home park, mobile home park cooperative, or mobile home park subdivision or tenancy in a mobile home lot means the tenant has defaulted in rent and by absence and by words or actions reasonably indicates the intention not to continue tenancy;
- (2) "Active duty" means service authorized by the president of the United States, the secretary of defense, or the governor for a period of more than ((thirty)) 30 consecutive days;
- (3) "Community land trust" means a private, nonprofit, community-governed, and/or membership corporation whose mission is to acquire, hold, develop, lease, and steward land for making homes, farmland, gardens, businesses, and other community assets permanently affordable for current and future generations. A community land trust's bylaws prescribe that the governing board is comprised of individuals who reside in the community land trust's service area, one-third of whom are currently, or could be, community land trust leaseholders;
- (4) "Eligible organization" includes community land trusts, resident nonprofit cooperatives, local governments, local housing authorities, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or statewide nonprofit housing assistance organizations;
- (5) "Housing and low-income assistance organization" means an organization that provides tenants living in mobile home parks, manufactured housing communities, and manufactured/mobile home

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1 communities with information about their rights and other pertinent 2 information;

- (6) "Housing authority" or "authority" means any of the public body corporate and politic created in RCW 35.82.030;
- (7) "Landlord" or "owner" means the owner of a mobile home park and includes the agents of the owner;
- (8) "Local government" means a town government, city government, code city government, or county government in the state of Washington;
- (9) "Manufactured home" means a single-family dwelling built according to the United States department of housing and urban development manufactured home construction and safety standards act, which is a national preemptive building code. A manufactured home also: (a) Includes plumbing, heating, air conditioning, and electrical systems; (b) is built on a permanent chassis; and (c) can be transported in one or more sections with each section at least eight feet wide and 40 feet long when transported, or when installed on the site is ((three hundred twenty)) 320 square feet or greater;
- (10) "Manufactured/mobile home" means either a manufactured home or a mobile home;
- (11) "Mobile home" means a factory-built dwelling built prior to June 15, 1976, to standards other than the United States department of housing and urban development code, and acceptable under applicable state codes in effect at the time of construction or introduction of the home into the state. Mobile homes have not been built since the introduction of the United States department of housing and urban development manufactured home construction and safety act;
- (12) "Mobile home lot" means a portion of a mobile home park or manufactured housing community designated as the location of one mobile home, manufactured home, or park model and its accessory buildings, and intended for the exclusive use as a primary residence by the occupants of that mobile home, manufactured home, or park model;
- (13) "Mobile home park cooperative" or "manufactured housing cooperative" means real property consisting of common areas and two or more lots held out for placement of mobile homes, manufactured homes, or park models in which both the individual lots and the common areas are owned by an association of shareholders which leases

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or otherwise extends the right to occupy individual lots to its own members;

- (14) "Mobile home park subdivision" or "manufactured housing subdivision" means real property, whether it is called a subdivision, condominium, or planned unit development, consisting of common areas and two or more lots held for placement of mobile homes, manufactured homes, or park models in which there is private ownership of the individual lots and common, undivided ownership of the common areas by owners of the individual lots;
- (15) "Mobile home park," "manufactured housing community," or "manufactured/mobile home community" means any real property which is rented or held out for rent to others for the placement of two or more mobile homes, manufactured homes, or park models for the primary purpose of production of income, except where such real property is rented or held out for rent for seasonal recreational purpose only and is not intended for year-round occupancy;
- (16) "Notice of opportunity to compete to purchase" means a notice required under RCW 59.20.325;
  - (17) "Notice of sale" means a notice required under RCW 59.20.300 to be delivered to all tenants of a manufactured/mobile home community and other specified parties within 14 days after the date on which any advertisement, listing, or public or private notice is first made advertising that a manufactured/mobile home community or the property on which it sits is for sale or lease. A delivered notice of opportunity to compete to purchase acts as a notice of sale;
  - (18) "Occupant" means any person, including a live-in care provider, other than a tenant, who occupies a mobile home, manufactured home, or park model and mobile home lot;
- (19) "Orders" means written official military orders, or any written notification, certification, or verification from the service member's commanding officer, with respect to the service member's current or future military status;
- (20) "Park model" means a recreational vehicle intended for permanent or semi-permanent installation and is used as a primary residence;
- 37 (21) "Permanent change of station" means: (a) Transfer to a unit 38 located at another port or duty station; (b) change of a unit's home 39 port or permanent duty station; (c) call to active duty for a period 40 not less than 90 days; (d) separation; or (e) retirement;

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(22) "Qualified sale of manufactured/mobile home community" means the sale, as defined in RCW 82.45.010, of land and improvements comprising a manufactured/mobile home community that is transferred in a single purchase to a qualified tenant organization or to an eligible organization for the purpose of preserving the property as a manufactured/mobile home community;

- (23) "Qualified tenant organization" means a formal organization of tenants within a manufactured/mobile home community, with the only requirement for membership consisting of being a tenant. If a majority of the tenants, based on home sites within the manufactured/mobile home community, agree that they want to preserve the manufactured/mobile home community then they will appoint a spokesperson to represent the wishes of the qualified tenant organization to the landlord and the landlord's representative;
- (24) "Recreational vehicle" means a travel trailer, motor home, truck camper, or camping trailer that is primarily designed and used as temporary living quarters, is either self-propelled or mounted on or drawn by another vehicle, is transient, is not occupied as a primary residence, and is not immobilized or permanently affixed to a mobile home lot;
- charges identified in the rental agreement for the use and occupancy of the manufactured/mobile home lot, which may include charges for utilities as provided in RCW 59.20.060. These terms do not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees, including attorneys' fees;
- (26) "Resident nonprofit cooperative" means a nonprofit cooperative corporation formed by a group of manufactured/mobile home community residents for the purpose of acquiring the manufactured/mobile home community in which they reside and converting the manufactured/mobile home community to a mobile home park cooperative or manufactured housing cooperative;
- $((\frac{(26)}{(26)}))$  "Service member" means an active member of the United States armed forces, a member of a military reserve component, or a member of the national guard who is either stationed in or a resident of Washington state;
- $((\frac{(27)}{)})$  (28) "Tenant" means any person, except a transient, who 38 rents a mobile home lot;

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1 ((<del>(28)</del>)) <u>(29)</u> "Transient" means a person who rents a mobile home 2 lot for a period of less than one month for purposes other than as a 3 primary residence.

4 <u>NEW SECTION.</u> **Sec. 11.** A new section is added to chapter 35.21 5 RCW to read as follows:

The imposition of regulations on the landlord-tenant relationship 6 is of statewide significance and is preempted by the state. No city 7 or town of any class may enact, maintain, or enforce ordinances or 8 other provisions which regulate any agreement between a landlord and 9 10 tenant and entered into under chapters 59.18 and 59.20 RCW for single-family or multiple unit residential rental structures or sites 11 other than in public ownership, under public management, or property 12 providing low-income rental housing under joint public-private 13 agreements for financing or provision of such low-income rental 14 15 housing. This section shall not be construed as prohibiting any city 16 or town from entering into agreements with private persons that 17 regulate or control the amount of rent to be charged for rental 18 properties.

NEW SECTION. Sec. 12. A new section is added to chapter 36.01 RCW to read as follows:

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The imposition of regulations on the landlord-tenant relationship is of statewide significance and is preempted by the state. No county may enact, maintain, or enforce ordinances or other provisions which regulate any agreement between a landlord and tenant and entered into under chapters 59.18 and 59.20 RCW for single-family or multiple unit residential rental structures or sites other than in public ownership, under public management, or property providing low-income rental housing under joint public-private agreements for financing or provisions of such low-income rental housing. This section shall not be construed as prohibiting any county from entering into agreements with private persons that regulate or control the amount of rent to be charged for rental properties.

- NEW SECTION. Sec. 13. A new section is added to chapter 43.185A RCW to read as follows:
- 35 (1) The department shall contract with an independent third 36 party, which may include educational institutions or private entities 37 with subject matter expertise, to conduct a study of the cost of

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- rental assistance programs and rate of success of providing rental assistance to tenants who face housing instability.
- 3 (2) At minimum, the study must include contact with the following 4 groups:
  - (a) The department;

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- (b) Tenants receiving rental assistance through a program funded from the home security fund account provided in chapter 36.22 RCW;
- 8 (c) Tenants receiving assistance through a program funded from 9 the eviction prevention assistance program provided in chapter 10 43.185C RCW;
- 11 (d) Landlords receiving assistance through the landlord 12 mitigation program under RCW 43.31.605;
  - (e) Landlords who own four or fewer total units;
  - (f) Landlords who own market rate multifamily units;
  - (g) Landlords who own units governed by a low-income housing program such as the low-income housing tax credit program administered by the Washington state housing finance commission;
    - (h) A representative from the housing authorities; and
    - (i) Social service providers that work with tenants and/or nonprofit organizations that assist in providing access or rental assistance to tenants in the community in which the social service provider operates.
      - (3) The study shall include information about the following:
    - (a) The total cost to administer local rental assistance programs across the state of Washington;
    - (b) The total cost of rental assistance provided by all rental assistance programs within the prior three years to any tenant in the state of Washington, and to the extent possible whether the receipt of such rental assistance stabilized the tenant's tenancy for a period of time greater than 12 months;
    - (c) The process a tenant must engage in to apply and/or obtain rental assistance in the top five counties statewide, by population and the bottom five counties statewide, by population;
  - (d) Discussion of successful models to deliver rental assistance across the United States that eliminates the administrative cost of delivering rental assistance and creates a more streamline process to access rental assistance;
- 38 (e) Barriers to accessing rental assistance by tenants and 39 landlords;

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- 1 (f) The anticipated need for rental assistance for tenants 2 experiencing housing instability in the state of Washington;
  - (g) The ability of the state to administer a single source application for rental assistance and the requirements needed to create a program; and
  - (h) The opportunity for, and cost of creating culturally accessible wraparound services for tenants experiencing housing instability including, but not limited to, financial literacy courses, employment training, education, and other services necessary to stabilize a tenancy.
- 11 (4) The department must submit a report that outlines the 12 findings and recommendations from the study to the governor and the 13 appropriate committees of the legislature by December 1, 2027.
  - (5) This section expires July 1, 2028.

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