
SUBSTITUTE HOUSE BILL 2715

State of Washington

58th Legislature

2004 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Schual-Berke, Benson, Tom, Moeller, McIntire and Chase)

READ FIRST TIME 02/06/04.

1 AN ACT Relating to providing the option of keeping landlord trust
2 account funds in a credit union; and amending RCW 59.18.270 and
3 59.20.170.

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

5 **Sec. 1.** RCW 59.18.270 and 1975 1st ex.s. c 233 s 1 are each
6 amended to read as follows:

7 All moneys paid to the landlord by the tenant as a deposit as
8 security for performance of the tenant's obligations in a lease or
9 rental agreement shall promptly be deposited by the landlord in a trust
10 account, maintained by the landlord for the purpose of holding such
11 security deposits for tenants of the landlord, in a (~~bank, savings and~~
12 ~~loan association, mutual savings bank,~~) financial institution as
13 defined by RCW 30.22.041 or licensed escrow agent located in
14 Washington. Unless otherwise agreed in writing, the landlord shall be
15 entitled to receipt of interest paid on such trust account deposits.
16 The landlord shall provide the tenant with a written receipt for the
17 deposit and shall provide written notice of the name and address and
18 location of the depository and any subsequent change thereof. If
19 during a tenancy the status of landlord is transferred to another, any

1 sums in the deposit trust account affected by such transfer shall
2 simultaneously be transferred to an equivalent trust account of the
3 successor landlord, and the successor landlord shall promptly notify
4 the tenant of the transfer and of the name, address, and location of
5 the new depository. The tenant's claim to any moneys paid under this
6 section shall be prior to that of any creditor of the landlord,
7 including a trustee in bankruptcy or receiver, even if such moneys are
8 commingled.

9 **Sec. 2.** RCW 59.20.170 and 1999 c 359 s 15 are each amended to read
10 as follows:

11 (1) All moneys paid to the landlord by the tenant as a deposit as
12 security for performance of the tenant's obligations in a rental
13 agreement shall promptly be deposited by the landlord in a trust
14 account, maintained by the landlord for the purpose of holding such
15 security deposits for tenants of the landlord, in a (~~bank, savings and~~
16 ~~loan association, mutual savings bank,~~) financial institution as
17 defined by RCW 30.22.041 or licensed escrow agent located in
18 Washington. Except as provided in subsection (2) of this section,
19 unless otherwise agreed in writing, the landlord shall be entitled to
20 receipt of interest paid on such trust account deposits. The landlord
21 shall provide the tenant with a written receipt for the deposit and
22 shall provide written notice of the name and address and location of
23 the depository and any subsequent change thereof. If during a tenancy
24 the status of landlord is transferred to another, any sums in the
25 deposit trust account affected by such transfer shall simultaneously be
26 transferred to an equivalent trust account of the successor landlord,
27 and the successor landlord shall promptly notify the tenant of the
28 transfer and of the name, address and location of the new depository.
29 The tenant's claim to any moneys paid under this section shall be prior
30 to that of any creditor of the landlord, including a trustee in
31 bankruptcy or receiver, even if such moneys are commingled.

32 (2) All moneys paid, in excess of two months' rent on the mobile
33 home lot, to the landlord by the tenant as a deposit as security for
34 performance of the tenant's obligations in a rental agreement shall be
35 deposited into an interest-bearing trust account for the particular
36 tenant. The interest accruing on the deposit in the account, minus

1 fees charged to administer the account, shall be paid to the tenant on
2 an annual basis. All other provisions of subsection (1) of this
3 section shall apply to deposits under this subsection.

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