
SENATE BILL 5923

State of Washington

61st Legislature

2009 Regular Session

By Senators Kline and Fairley

Read first time 02/06/09. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to funding affordable housing programs through
2 interest accrued on residential landlord/tenant security deposits; and
3 amending RCW 59.18.270.

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

5 **Sec. 1.** RCW 59.18.270 and 2004 c 136 s 1 are each amended to read
6 as follows:

7 (1) 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 financial
12 institution as defined by RCW 30.22.041 or licensed escrow agent
13 located in Washington. ~~((Unless otherwise agreed in writing, the
14 landlord shall be entitled to receipt of interest paid on such trust
15 account deposits.))~~ The landlord shall provide the tenant with a
16 written receipt for the deposit and shall provide written notice of the
17 name and address and location of the depository and any subsequent
18 change thereof. If during a tenancy the status of landlord is
19 transferred to another, any sums in the deposit trust account affected

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

8 (2) The interest accrued on trust account deposits in subsection
9 (1) of this section must be deposited monthly in the affordable housing
10 for all account created under RCW 43.185C.190, for the purpose of
11 funding affordable housing programs that are limited to low-income
12 households as defined in RCW 43.185A.010, by the financial institution
13 or licensed escrow agent, less reasonable deposit processing charges
14 that may only include an items deposited charge, a monthly maintenance
15 fee, a per check item charge, and a per deposit charge.

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