
SENATE BILL 5050

State of Washington

62nd Legislature

2011 Regular Session

By Senators Kline, Nelson, Harper, Keiser, and Hatfield

Read first time 01/12/11. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to residential landlord/tenant security deposits;
2 and amending RCW 59.18.270 and 59.18.280.

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

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

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

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

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

15 **Sec. 2.** RCW 59.18.280 and 2010 c 8 s 19027 are each amended to
16 read as follows:

17 Within fourteen days after the termination of the rental agreement
18 and vacation of the premises or, if the tenant abandons the premises as
19 defined in RCW 59.18.310, within fourteen days after the landlord
20 learns of the abandonment, the landlord shall give a full and specific
21 statement of the basis for retaining any of the deposit together with
22 the payment of any refund due the tenant under the terms and conditions
23 of the rental agreement. No portion of any deposit shall be withheld
24 on account of wear resulting from ordinary use of the premises. The
25 landlord complies with this section if the required statement or
26 payment, or both, are deposited in the United States mail properly
27 addressed with first-class postage prepaid within the fourteen days.

28 The notice shall be delivered to the tenant personally or by mail
29 to his or her last known address. If the landlord fails to give such
30 statement together with any refund due the tenant within the time
31 limits specified above he or she shall be liable to the tenant for the
32 full amount of the deposit. The landlord is also barred in any action
33 brought by the tenant to recover the deposit from asserting any claim
34 or raising any defense for retaining any of the deposit unless the
35 landlord shows that circumstances beyond the landlord's control
36 prevented the landlord from providing the statement within the fourteen
37 days or that the tenant abandoned the premises as defined in RCW

1 59.18.310. The court may in its discretion award up to two times the
2 amount of the deposit for the intentional refusal of the landlord to
3 give the statement or refund due. In any action brought by the tenant
4 to recover the deposit, the prevailing party shall additionally be
5 entitled to the cost of suit or arbitration including a reasonable
6 attorney's fee.

7 The legislature finds that the practices covered by this section
8 are matters vitally affecting the public interest for the purpose of
9 applying the consumer protection act, chapter 19.86 RCW. A violation
10 of this section is not reasonable in relation to the development and
11 preservation of business and is an unfair or deceptive act in trade or
12 commerce and an unfair method of competition for the purpose of
13 applying the consumer protection act, chapter 19.86 RCW.

14 Nothing in this chapter shall preclude the landlord from proceeding
15 against, and the landlord shall have the right to proceed against a
16 tenant to recover sums exceeding the amount of the tenant's damage or
17 security deposit for damage to the property for which the tenant is
18 responsible together with reasonable attorney's fees.

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