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SENATE BILL 6309

State of Washington

63rd Legislature

2014 Regular Session

By Senators Sheldon and Benton

Read first time 01/20/14. Referred to Committee on Financial Institutions, Housing & Insurance.

- 1 AN ACT Relating to legal fees and costs affiliated with notice of
- 2. violation review under the manufactured/mobile home dispute resolution
- program; amending RCW 59.30.040; and adding a new section to chapter 3
- 59.30 RCW. 4

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- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- RCW 59.30.040 and 2007 c 431 s 4 are each amended to read 6 Sec. 1. 7 as follows:
 - (1) An aggrieved party has the right to file a complaint with the attorney general alleging a violation of chapter 59.20 RCW.
- 10 (2) Upon receiving a complaint under this chapter, the attorney 11 general must:
- 12 (a) Inform the complainant of any notification requirements under 13 RCW 59.20.080 for tenant violations or RCW 59.20.200 for landlord 14 violations and encourage the complainant to appropriately notify the
- 15 respondent of the complaint; and
- If a statutory time period 16 is applicable, inform the
- 17 complainant of the time frame that the respondent has to remedy the
- 18 complaint under RCW 59.20.080 for tenant violations or RCW 59.20.200
- 19 for landlord violations.

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(3) After receiving a complaint under this chapter, the attorney general shall initiate the manufactured/mobile home dispute resolution program by investigating the alleged violations at its discretion and, if appropriate, facilitating negotiations between the complainant and the respondent.

- (4)(a) Complainants and respondents shall cooperate with the attorney general in the course of an investigation by (i) responding to subpoenas issued by the attorney general, which may consist of providing access to papers or other documents, and (ii) providing access to the manufactured/mobile home facilities relevant to the investigation. Complainants and respondents must respond to attorney general subpoenas within thirty days.
- (b) Failure to cooperate with the attorney general in the course of an investigation is a violation of this chapter.
 - (5) If after an investigation the attorney general determines that an agreement cannot be negotiated between the parties, the attorney general shall make a written determination on whether a violation of chapter 59.20 RCW has occurred.
 - (a) If the attorney general finds by a written determination that a violation of chapter 59.20 RCW has occurred, the attorney general shall deliver a written notice of violation to the respondent who committed the violation by certified mail. The notice of violation must specify the violation, the corrective action required, the time within which the corrective action must be taken, the penalties including fines, other penalties, and actions that will result if corrective action is not taken within the specified time period, and the process for contesting the determination, fines, penalties, and other actions included in the notice of violation through an administrative hearing. The attorney general must deliver to the complainant a copy of the notice of violation by certified mail.
 - (b) If the attorney general finds by a written determination that a violation of chapter 59.20 RCW has not occurred, the attorney general shall deliver a written notice of nonviolation to both the complainant and the respondent by certified mail. The notice of nonviolation must include the process for contesting the determination included in the notice of nonviolation through an administrative hearing.
- (6) Corrective action must take place within fifteen business days of the respondent's receipt of a notice of violation, except as

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required otherwise by the attorney general, unless the respondent has 1 2 submitted a timely request for an administrative hearing to contest the notice of violation as required under subsection (8) of this section. 3 4 If a respondent, which includes either a landlord or a tenant, fails to take corrective action within the required time period and the attorney 5 general has not received a timely request for an administrative 6 7 hearing, the attorney general may impose a fine, up to a maximum of two 8 hundred fifty dollars per violation per day, for each day that a 9 violation remains uncorrected. The attorney general must consider the severity and duration of the violation and the violation's impact on 10 11 other community residents when determining the appropriate amount of a 12 fine or the appropriate penalty to impose on a respondent. 13 respondent shows upon timely application to the attorney general that a good faith effort to comply with the corrective action requirements 14 of the notice of violation has been made and that the corrective action 15 has not been completed because of mitigating factors beyond the 16 17 respondent's control, the attorney general may delay the imposition of 18 a fine or penalty.

The attorney general may issue an order requiring the (7)respondent, or its assignee or agent, to cease and desist from an unlawful practice and take affirmative actions that in the judgment of the attorney general will carry out the purposes of this chapter. affirmative actions may include, but are not limited to, the following:

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- Refunds of rent increases, improper fees, charges, assessments collected in violation of this chapter;
- 26 (b) Filing and utilization of documents that correct a statutory or 27 rule violation; and
- 28 (c) Reasonable action necessary to correct a statutory or rule 29 violation.
- (8) A complainant or respondent may request an administrative hearing before an administrative law judge under chapter 34.05 RCW to 31 32 contest:
 - (a) A notice of violation issued under subsection (5)(a) of this section or a notice of nonviolation issued under subsection (5)(b) of this section;
- 36 (b) A fine or other penalty imposed under subsection (6) of this 37 section; or

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1 (c) An order to cease and desist or an order to take affirmative 2 actions under subsection (7) of this section.

The complainant or respondent must request an administrative hearing within fifteen business days of receipt of a notice of violation, notice of nonviolation, fine, other penalty, order, or action. If an administrative hearing is not requested within this time period, the notice of violation, notice of nonviolation, fine, other penalty, order, or action constitutes a final order of the attorney general and is not subject to review by any court or agency.

- 10 (9) ((If an administrative hearing is initiated, the respondent and complainant shall each bear the cost of his or her own legal expenses.
- $\frac{(10)}{}$)) The administrative law judge appointed under chapter 34.12 13 RCW shall:
 - (a) Hear and receive pertinent evidence and testimony;
 - (b) Decide whether the evidence supports the attorney general finding by a preponderance of the evidence; and
 - (c) Enter an appropriate order within thirty days after the close of the hearing and immediately mail copies of the order to the affected parties.

The order of the administrative law judge constitutes the final agency order of the attorney general and may be appealed to the superior court under chapter 34.05 RCW.

- $((\frac{11}{11}))$ (10) When the attorney general imposes a fine, refund, or other penalty against a respondent, the respondent may not seek any recovery or reimbursement of the fine, refund, or other penalty from a complainant or from other manufactured/mobile home tenants.
- $((\frac{12}{12}))$ (11) All receipts from the imposition of fines or other penalties collected under this section other than those due to a complainant must be deposited into the manufactured/mobile home dispute resolution program account created in RCW 59.30.070.
- ((\(\frac{(13)}{13}\))) (12) This section is not exclusive and does not limit the right of landlords or tenants to take legal action against another party as provided in chapter 59.20 RCW or otherwise. Exhaustion of the administrative remedy provided in this chapter is not required before a landlord or tenants may bring a legal action. This section does not apply to unlawful detainer actions initiated under RCW 59.20.080 prior to the filing and service of an unlawful detainer court action; however, a tenant is not precluded from seeking relief under this

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- 1 chapter if the complaint claims the notice of termination violates RCW
- 2 59.20.080 prior to the filing and service of an unlawful detainer
- 3 action.

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4 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 59.30 RCW to read as follows:

In any administrative or judicial review of any notice of violation issued by the attorney general under RCW 59.30.040, the prevailing party is entitled to reasonable attorneys' fees and costs.

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