

HOUSE BILL REPORT

HB 2051

As Reported by House Committee On: Judiciary

Title: An act relating to providing adequate time and assistance for tenants to relocate due to a rent increase or change of use of the residential unit.

Brief Description: Concerning the provision of time and assistance for tenants to relocate due to a rent increase or change of use of the residential unit.

Sponsors: Representatives Farrell, Tarleton, Pollet, Robinson, Gregerson, Ryu, Orwall, Walkinshaw, Appleton and Kagi.

Brief History:

Committee Activity:

Judiciary: 2/17/15, 2/19/15 [DPS].

Brief Summary of Substitute Bill

- Allows certain cities, counties, and towns to require landlords to provide up to 90 days' notice for large rent increases.
- Modifies standards for when a property owner must pay relocation assistance.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Jinkins, Chair; Kilduff, Vice Chair; Goodman, Hansen, Kirby, Orwall and Walkinshaw.

Minority Report: Do not pass. Signed by 4 members: Representatives Rodne, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Haler and Klippert.

Minority Report: Without recommendation. Signed by 2 members: Representatives Muri and Stokesbary.

Staff: Daniel Rusk (786-7290) and Edie Adams (786-7180).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Washington's Residential Landlord-Tenant Act (RLTA) governs the relationship between landlords and tenants of residential dwelling units and establishes each parties' duties.

A landlord may change the terms of the tenancy, including rent price, upon the completion of the rental term if all the affected tenants have been provided 30 days written notice. A termination of tenancy is not a change of rule. A landlord may terminate a periodic tenancy if the landlord provides at least 20 days' written notice prior to the end of the month.

Specific cities, counties, or towns must develop comprehensive use plans. If the city, county, or town is required to adopt one of these plans, the city, county, or town may require property owners to provide relocation assistance to low-income tenants upon the demolition, substantial rehabilitation, change of use, or removal of use restrictions in an assisted-housing development (change in use). Relocation assistance must not exceed \$2,000—adjusted by the consumer price index—and the property owner's portion must not exceed one half of the total relocation assistance. The city, county, or town is obligated to pay the other portion of the relocation assistance. A property owner is not obligated to pay relocation assistance if the tenant moves out of the dwelling prior to the property owner's application for a permit for the change in use.

A low-income tenant is a tenant or tenants whose combined total income per dwelling unit is at or below 50 percent of the median income where the tenant or tenants reside. An assisted-housing development is a multifamily housing development that either receives government assistance and is defined as federally assisted housing, or receives other government assistance and is subject to use restrictions.

Summary of Substitute Bill:

Any city, county, or town that is required to develop a comprehensive use plan may require, after public notice and a public hearing, property owners to provide tenants up to 90 days' written notice for a rent increase exceeding ten percent of the current rent price.

A property owner may be responsible for paying his or her portion of relocation assistance, even if the tenant moved out prior to the owner's application for a change in use permit, if the local jurisdiction finds that the property owner violated the requirement to provide relocation assistance.

A low-income tenant is a tenant or tenants whose combined total income per dwelling is at or below 80 percent of the median income in the county where the tenant or tenants reside.

Substitute Bill Compared to Original Bill:

Requires property owners to pay relocation assistance if the local jurisdiction finds, after the tenant has moved out, that the property owner violated the jurisdiction's relocation assistance requirement.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Last year, Washington experienced some of the highest rent increases in the nation. Additionally, property owners are using large rent increases to circumvent relocation assistance requirements. This causes tenants to not have adequate time and money to find a new home. This bill does three things to fix these problems: authorizes relocation assistance where it currently cannot be awarded; increases the income eligibility for relocation assistance; and protects tenants against sudden large rent increases.

(Opposed) A bill is not needed. If a landlord and tenant enter into a fixed rental agreement, the landlord should have the flexibility at the end of the rental term to terminate the tenancy without providing 90 days notice. If a tenant wants to protect against large rent increases, he or she could contract with landlord to prevent this.

Persons Testifying: (In support) Nick Licada, Seattle City Council; Lisa Herbold, City of Seattle; Jonathan Grant, Tenants Union of Washington State; and Beverly Aarons.

(Opposed) Chester Baldwin, Washington Rental Owners Association.

Persons Signed In To Testify But Not Testifying: None.