
Civil Rights & Judiciary Committee

HB 1694

Brief Description: Allowing tenants to pay certain sums in installments.

Sponsors: Representatives Morgan, Macri, Riccelli, Goodman, Jinkins, Cody, Stonier, Robinson, Appleton, Pollet, Gregerson and Frame.

Brief Summary of Bill

- Requires landlords to permit tenants to pay deposits, nonrefundable fees, and last month's rent in installments, subject to one exception and some general parameters regarding the number and timing of the installments.

Hearing Date: 2/5/19

Staff: Cece Clynch (786-7195).

Background:

The Residential Landlord-Tenant Act (RLTA) regulates the relationship between residential landlords and tenants, and includes provisions regarding the duties of tenants and landlords, remedies for violations of those duties, and definitions. Subject to a few exceptions spelled out in statute, the rental of a dwelling unit for living purposes is generally covered under the RLTA. "Dwelling unit" is a structure or that part of a structure which is used as a home, residence, or sleeping place.

Landlords often collect deposits and fees and other amounts prior to, or at the outset of, a tenancy:

- Tenant screening fee. The RLTA includes provisions governing the amount that may be charged and the information that must be provided to the tenant.
- Holding deposit or fee to hold the dwelling unit after the tenant has been offered the unit. If the tenant moves in, the landlord must credit the fee or deposit to the first month's rent or the security deposit.

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.

- Damage or security deposit. The purpose of such a deposit is to cover any damage caused to the property by the tenant, in excess of normal wear and tear. Under the RLTA, deposits must be placed in a trust account. Any interest earned generally belongs to the landlord.
- Nonrefundable fee. This may include a cleaning fee; if that is the case, the landlord may not also charge the tenant for normal cleaning.
- First and last month's rent.

A tenancy may be for a specified time, such as one year. Alternatively, premises may be rented for an indefinite time, from period to period or month to month.

Summary of Bill:

Upon written request from a tenant, a landlord must generally permit the tenant to pay any deposits, nonrefundable fees, and last month's rent in installments, as follows:

- In all cases where premises are rented for a specified time that is three months or longer, the tenant may elect to pay in three consecutive and equal monthly installments, beginning at the inception of the tenancy.
- In all other cases, the tenant may elect to pay in two consecutive and equal monthly installments, beginning at the inception of the tenancy.

A landlord may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because the tenant elects to pay in installments. Installment payments are due at the same time as rent is due. All installment schedules must be in writing and signed by the landlord and the tenant.

A landlord is not required to permit a tenant to pay in installments if the total amount of the deposits and nonrefundable fees do not exceed 25 percent of the first full month's rent and payment of the last month's rent is not required at the inception of the tenancy.

Appropriation: None.

Fiscal Note: Not requested.

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