

# FINAL BILL REPORT

## ESHB 2535

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C 177 L 20  
Synopsis as Enacted

**Brief Description:** Providing for a grace period before late fees may be imposed for past due rent.

**Sponsors:** House Committee on Civil Rights & Judiciary (originally sponsored by Representatives Kirby, Pollet, Ormsby and Santos).

**House Committee on Civil Rights & Judiciary**  
**Senate Committee on Financial Institutions, Economic Development & Trade**

### **Background:**

The Residential Landlord-Tenant Act (RLTA) regulates the relationship between residential landlords and tenants, defines terms, and includes provisions regarding the duties of tenants and landlords, as well as remedies for violations of those duties. With some statutory exceptions, the rental of a dwelling unit for living purposes is generally covered under the RLTA. A dwelling unit is a structure or that part of a structure which is used as a home, residence, or sleeping place.

Rental agreements are expressly prohibited from including certain types of provisions, including those that:

- waive or forgo rights or remedies under the RLTA;
- authorize any person to confess judgment on a claim arising out of the rental agreement;
- agree to pay the landlord's attorneys' fees, except as authorized by the RLTA;
- agree to exculpation or limit liability of the landlord arising under the law or to indemnify the landlord for that liability; and
- agree to a particular arbitrator at the time that the rental agreement is executed.

If a landlord deliberately uses a rental agreement containing provisions he or she knows to be prohibited, the tenant may recover actual damages together with statutory damages not to exceed \$500, costs of suit, and reasonable attorneys' fees.

The terms "rent" and "rental amount" are defined under the RLTA to mean recurring and periodic charges identified in the rental agreement for the use and occupancy of the premises, which may include charges for utilities. It is specified in the definition that these terms do

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not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees, including attorneys' fees. An exception is included for nonrefundable fees or deposits that a landlord permits to be paid in installments.

A landlord must first apply any payment made by a tenant toward rent, before applying any payment toward late fees, damages, legal costs, or other fees, including attorneys' fees. Generally, a tenant's right to possession of the premises may not be conditioned on the payment of any amount other than rent. However, a landlord is not foreclosed from pursuing other lawful remedies to collect late fees, legal costs, or other fees, including attorneys' fees.

A tenant is liable for unlawful detainer when he or she continues in possession of the dwelling unit after a default in rent, and after a 14-day notice to pay rent or vacate has been served, without paying the rent during that 14-day period.

**Summary:**

The Residential Landlord-Tenant Act (RLTA) is amended to provide that a landlord may not charge late fees for rent that is paid within five days following its due date. If the rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. A landlord is not prohibited from serving a notice to pay rent or vacate at any time after the rent becomes due. The RLTA provision expressly prohibiting the inclusion of certain types of provisions in a rental agreement is similarly amended.

When late fees may be assessed after rent becomes due, the tenant may propose that the date rent is due per the rental agreement be altered to a different date of the month. The landlord must agree to such a proposal if it is submitted in writing and the tenant is able to demonstrate that his/her primary source of income is a regular, monthly source of governmental assistance that is not received until after the date rent is due per the rental agreement. The proposed due date may not be more than five days after the date the rent is due per the rental agreement. Nothing in this provision allowing for alteration of the due date is to be construed to prevent a tenant from making a request for reasonable accommodation under federal, state, or local law.

**Votes on Final Passage:**

House	92	4	
Senate	48	1	(Senate amended)
House	73	24	(House concurred)

**Effective:** June 11, 2020