

# SENATE BILL REPORT

## HB 1462

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As Reported by Senate Committee On:  
Financial Institutions, Economic Development & Trade, March 28, 2019

**Title:** An act relating to providing notice of plans to demolish, substantially rehabilitate, or change use of residential premises.

**Brief Description:** Providing notice of plans to demolish, substantially rehabilitate, or change use of residential premises.

**Sponsors:** Representatives Barkis, Reeves, Kirby, Riccelli, Jenkin, Stokesbary, Gildon, Walsh, Chambers, Dye, Hoff, Volz and Irwin.

**Brief History:** Passed House: 3/05/19, 94-4.

**Committee Activity:** Financial Institutions, Economic Development & Trade: 3/19/19, 3/28/19 [DPA].

### Brief Summary of Amended Bill

- Requires a landlord subject to the Residential Landlord Tenant Act to give a tenant 120-days written notice when there are plans to demolish, substantially rehabilitate, or a change the use of the premises.

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

**Majority Report:** Do pass as amended.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Braun, Das, Ericksen and Hobbs.

**Staff:** Kellee Gunn (786-7429)

**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 in statute, 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.

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*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.*

A tenancy for a specified time such as one year, sometimes also called a lease, is considered concluded at the end of the specified period. Alternatively, premises may be rented for an indefinite time, such as from month to month. A month-to-month tenancy is automatically renewed for another period until terminated by either the landlord or the tenant by giving at least 20-days written notice prior to the end of any of the months of tenancy.

A landlord under the RLTA must provide longer notice in certain situations.

1. Whenever a landlord changes a policy of excluding children, written notice of at least 90-days must be given before termination of the tenancy. If, after giving the 90-days notice, the change in policy is delayed, the general 20-days notice applies unless waived by the tenant.
2. Whenever a landlord plans to change any apartment or apartments to a condominium form of ownership, the landlord must provide written notice of at least 120-days before termination of the tenancy. If, after giving the 120-days notice, the change in policy is delayed, the general 20-days notice applies unless waived by the tenant.

**Summary of Amended Bill:** A landlord under the RLTA must provide at least 120-days written notice to a tenant when the landlord plans to demolish, substantially rehabilitate, or change of use of the premises. A jurisdiction is exempt from this requirement if they have a relocation assistance program and otherwise provide 120 days notice.

If a person violates the 120 days notice requirement, they may be held liable in a civil action up to three times the monthly rent of the real property at issue. The prevailing party may also recover court costs and reasonable attorneys' fees.

"Change of use" means:

- conversion of any premises from a residential use to a nonresidential use that results in the displacement of an existing tenant;
- conversion from one type of residential use to another type of residential use that results in the displacement of an existing tenant, such as conversion to a retirement home, emergency shelter, or transient hotel; or
- conversion following removal of use restrictions from an assisted housing development that results in the displacement of an existing tenant; however, displacement of an existing tenant in order that the owner or a member of the owner's immediate family may occupy the premises does not constitute a change of use.

"Substantially rehabilitate" means extensive structural repair or extensive remodeling of premises that requires a permit such as a building, electrical, plumbing, or mechanical permit, and results in the displacement of an existing tenant.

Assisted housing development is considered multifamily rental housing development that receives government assistance and is defined as federally assisted housing, or receives other federal, state, or local government assistance and is subject to use restrictions

## **EFFECT OF FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE COMMITTEE AMENDMENT(S):**

- Exempts jurisdictions that have a relocation assistance program and otherwise provide 120 days notice from the 120 days notice before termination of tenancy requirement.
- Establishes that a person may be held liable in a civil action up to three times the monthly rent of the real property at issue if a person violates' the 120 days notice.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on House Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: There have been situations, in Tacoma for example, where the property owner decided to change the use of an apartment building. The property owner in that situation provided the lawful 20-days notice, and it created hardship for the tenants. This bill establishes a 120-days notice by landlords to tenants in order to give the tenant more time to find housing. Some municipalities are already doing this. A striking amendment to this version of the bill may be necessary to allow for local municipalities to provide their notice—such as 120 days—without doubling the amount of notice necessary. Stakeholders are working together to ensure there is no duplication happening between this bill and established ordinances by certain jurisdictions.

OTHER: There are mass displacements occurring. The bill does not address the lack of cause for terminating tenancy. Right now, a landlord is only required to provide 20-days notice for terminating tenancy. An enforcement provision is needed.

**Persons Testifying:** PRO: Representative Andrew Barkis, Prime Sponsor; Bret Waller, Washington Multi-Family Housing Association.

OTHER: Michele Thomas, Washington Low Income Housing Alliance.

**Persons Signed In To Testify But Not Testifying:** No one.