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HOUSE BILL 2779

State of Washington 66th Legislature 2020 Regular Session

By Representatives Macri, Pollet, Gregerson, Ormsby, Dolan, Doglio, Morgan, Ramel, Ortiz-Self, Frame, J. Johnson, Chopp, and Lekanoff

Read first time 01/21/20. Referred to Committee on Civil Rights & Judiciary.

- AN ACT Relating to protecting tenants from excessive rent and related fees; amending RCW 59.18.140; adding a new section to chapter 59.18 RCW; adding a new section to chapter 43.31 RCW; and repealing
- 4 RCW 35.21.830 and 36.01.130.

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- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. A new section is added to chapter 59.18
 RCW to read as follows:
 - (1) (a) A landlord may not increase the rent paid by a tenant in an amount greater than three percent above the base rent without providing written notice between two hundred twenty and one hundred eighty days before the increase takes effect.
 - (b) The notice must inform the tenant, in clear language, that because the landlord seeks to increase the rent paid by the tenant in an amount greater than three percent above the base rent, pursuant to subsection (3) of this section the tenant may terminate the tenancy at any point prior to the effective date of the increase and, in that case, shall only owe pro rata rent through the date upon which the tenant surrenders the premises.
- 19 (2) In no case may a landlord increase the rent paid by a tenant 20 within a twelve-month period in an amount that exceeds the lesser of:

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- (a) Five percent plus the consumer price index above the base rent; or (b) ten percent above the base rent.
 - (3) If a landlord seeks to increase the amount of rent by more than three percent, the tenant may terminate the tenancy at any point prior to the effective date of the increase and, in that case, shall only owe pro rata rent through the date upon which the tenant surrenders the premises.
- 8 (4)(a) Any notice of an increase in the amount of rent under this 9 section must be served in accordance with RCW 59.12.040.
 - (b) A landlord may not charge a tenant for the service of any notice required by this section.
 - (5) Late fees for past due rent may not exceed one-half of one percent of the monthly or periodic rent.
 - (6) A landlord may not increase the rent except in accordance with this chapter. A tenant who is charged rent in violation of this section, and pays rent in excess of amounts permitted by this section, shall have a cause of action against the landlord to recover actual damages in the amount of the excess rent paid, together with treble damages, costs, and reasonable attorneys' fees.
 - (7) As used in this section:

- (a) "Base rent" means the lowest monthly or periodic rent paid by the tenant in the twelve months preceding the date of the notice of rent increase. Base rent does not include amounts paid for utilities where such amounts are paid separately from rent and are based upon actual utility usage and the amount billed by the utility company or service provider.
- (b) "Consumer price index" means the annual twelve-month average change in the consumer price index for all urban consumers (CPI-U) for the west region, as published by the United States bureau of labor statistics in November of the prior calendar year.
- 31 (c) "Immediate family" means spouses, parents, children, 32 grandparents, grandchildren, great grandparents, great grandchildren, 33 nieces, nephews, siblings, and intimate partners.
- **Sec. 2.** RCW 59.18.140 and 2019 c 105 s 1 are each amended to 35 read as follows:
 - (1) The tenant shall conform to all reasonable obligations or restrictions, whether denominated by the landlord as rules, rental agreement, rent, or otherwise, concerning the use, occupation, and maintenance of his or her dwelling unit, appurtenances thereto, and

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the property of which the dwelling unit is a part if such obligations and restrictions are not in violation of any of the terms of this chapter and are not otherwise contrary to law, and if such obligations and restrictions are brought to the attention of the tenant at the time of his or her initial occupancy of the dwelling unit and thus become part of the rental agreement.

- (2) Except for termination of tenancy and an increase in the amount of rent, after thirty days written notice to each affected tenant, a new rule of tenancy may become effective upon completion of the term of the rental agreement or sooner upon mutual consent.
- (3) (a) Except as provided in <u>section 1(1)(a) of this act and in</u> (b) of this subsection, a landlord shall provide a minimum of sixty days' prior written notice of an increase in the amount of rent to each affected tenant, and any increase in the amount of rent may not become effective prior to the completion of the term of the rental agreement.
- (b) If the rental agreement governs a subsidized tenancy where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, a landlord shall provide a minimum of thirty days' prior written notice of an increase in the amount of rent to each affected tenant. An increase in the amount of rent may become effective upon completion of the term of the rental agreement or sooner upon mutual consent.
- NEW SECTION. Sec. 3. A new section is added to chapter 43.31 RCW to read as follows:
 - Beginning on or before January 20, 2021, and by January 20th every year thereafter, the department of commerce must update and publish the maximum allowable rent increase pursuant to section 1(2) of this act for any rent increases which take effect on or after June 1st of the year of publication through May 31st of the following year. In so doing, the department shall apply the consumer price index as defined in section 1(7) of this act. In no case may the maximum allowable rent increase exceed the lesser of: (1) Five percent plus the consumer price index above the base rent; or (2) ten percent above the base rent.
- 36 <u>NEW SECTION.</u> **Sec. 4.** The following acts or parts of acts are 37 each repealed:

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- 1 (1) RCW 35.21.830 (Controls on rent for residential structures— 2 Prohibited—Exceptions) and 1981 c 75 s 1; and
- 3 (2) RCW 36.01.130 (Controls on rent for residential structures— 4 Prohibited—Exceptions) and 1991 c 363 s 43 & 1981 c 75 s 2.

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