CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 6378

66th Legislature 2020 Regular Session

Passed by the Senate February 19, 2020 Yeas 30 Nays 18

President of the Senate

Passed by the House March 3, 2020 Yeas 54 Nays 42

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6378** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

Speaker of the House of Representatives

Approved

FILED

Secretary of State State of Washington

Governor of the State of Washington

ENGROSSED SUBSTITUTE SENATE BILL 6378

Passed Legislature - 2020 Regular Session

State of Washington 66th Legislature 2020 Regular Session

By Senate Housing Stability & Affordability (originally sponsored by Senators Kuderer, Darneille, Das, and Lovelett)

READ FIRST TIME 01/28/20.

AN ACT Relating to residential tenant protections; amending RCW 59.18.057, 59.18.063, 59.18.365, 59.18.410, 59.18.230, 59.18.290, and 43.31.605; creating a new section; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 The legislature finds that despite the NEW SECTION. Sec. 1. 6 passage of several eviction reforms during the 2019 regular 7 legislative session there is a need to clarify certain reforms and to 8 address the unintended effects and oversights that have limited the impact and remedial nature of these reforms available to tenants. 9 10 Specifically, the legislature finds that further clarity is required 11 as to how and when tenants can access emergency rental assistance to 12 pay off unlawful detainer judgment amounts and have their tenancies reinstated before judgment, when landlords can issue pay or vacate 13 14 notices to tenants whose primary source of income is regular, monthly 15 governmental assistance, and that a landlord cannot threaten a tenant 16 with eviction for failure to pay fees not related to rent. As a 17 legislature intends with this result, the act to make such 18 modifications to ensure that tenants with limited to no resources 19 maintain stable housing.

1	Sec. 2. RCW 59.18.057 and 2019 c 356 s 3 are each amended to
2	read as follows:
3	(1) Every fourteen-day notice served pursuant to RCW 59.12.030(3)
4	must be in substantially the following form:
5	"TO:
6	AND TO:
7	ADDRESS:
8	FOURTEEN-DAY NOTICE TO PAY RENT OR VACATE THE PREMISES
9	You are receiving ((the attached)) this notice because the
10	landlord alleges you are not in compliance with the terms of the
11	lease agreement by failing to pay rent and/or utilities and/or
12	recurring or periodic charges that are past due.
13	(1) Monthly rent due for (list month(s)): \$ (dollar amount)
14	AND/OR
15	(2) Utilities due for (list month(s)): \$ (dollar amount)
16	AND/OR
17	(3) Other recurring or periodic charges identified in the lease
18	for (list month(s)): \$ (dollar amount)
19	TOTAL AMOUNT DUE: \$ (dollar amount)
20	Note - payment must be ((by cash)) <u>made pursuant to the terms of</u>
21	the rental agreement or by nonelectronic means including, but not
22	limited to, cashier's check, money order, or other certified funds
23	((pursuant to the terms of the rental agreement)).
24	You must pay the total amount due to your landlord within
25	fourteen (14) days after service of this notice or you must vacate
26	the premises. Any payment you make to the landlord must first be
27	applied to the total amount due as shown on this notice. Any failure
28	to comply with this notice within fourteen (14) days after service of
29	this notice may result in a judicial proceeding that leads to your
30	eviction from the premises.
31	The Washington state Office of the Attorney General has this
32	notice in multiple languages on its web site. You will also find
33	information there on how to find a lawyer or advocate at low or no
34	cost and any available resources to help you pay your rent.
35	Alternatively, for no-cost legal assistance for low-income renters
36	call 2-1-1 ((to learn about these services)) <u>or the Northwest Justice</u>
37	Project CLEAR Hotline outside King County (888) 201-1014 weekdays
38	<u>between 9:15 a.m 12:15 p.m., or (888) 387-7111 for seniors (age 60</u>

1	and over). You may find additional information to help you at http://
2	www.washingtonlawhelp.org.
3	State law provides you the right to receive interpreter services
4	at court.
5	

6 OWNER/LANDLORD: _____DATE:_____

7

8 WHERE TOTAL AMOUNT DUE IS TO BE PAID: ___(owner/landlord name)____ 9 _____(address)_____"

10 (2) The form required in this section does not abrogate any 11 additional notice requirements to tenants as required by federal, 12 state, or local law.

13 Sec. 3. RCW 59.18.063 and 2011 c 132 s 4 are each amended to 14 read as follows:

(1) A landlord <u>may refuse to accept cash for any payment of rent</u>
 <u>made by a tenant, but</u> shall provide a receipt for any payment made by
 a tenant in the form of cash <u>when the landlord accepts cash</u>.

18 (2) A landlord shall provide, upon the request of a tenant, a 19 written receipt for any payments made by the tenant in a form other 20 than cash.

21 Sec. 4. RCW 59.18.365 and 2019 c 356 s 9 are each amended to 22 read as follows:

23 (1) The summons must contain the names of the parties to the proceeding, the attorney or attorneys if any, the court in which the 24 same is brought, the nature of the action, in concise terms, and the 25 relief sought, and also the return day; and must notify the defendant 26 to appear and answer within the time designated or that the relief 27 sought will be taken against him or her. The summons must contain a 28 street address for service of the notice of appearance or answer and, 29 30 if available, a facsimile number for the plaintiff or the plaintiff's attorney, if represented. The summons must be served and returned in 31 the same manner as a summons in other actions is served and returned. 32

33 (2) A defendant may serve a copy of an answer or notice of 34 appearance by any of the following methods:

1	(a) By delivering a copy of the answer or notice of appearance to
2	the person who signed the summons at the street address listed on the
3	summons;
4	(b) By mailing a copy of the answer or notice of appearance
5	addressed to the person who signed the summons to the street address
6	listed on the summons;
7	(c) By facsimile to the facsimile number listed on the summons.
8	Service by facsimile is complete upon successful transmission to the
9	facsimile number listed upon the summons;
10	(d) As otherwise authorized by the superior court civil rules.
11	(3) The summons for unlawful detainer actions for tenancies
12	covered by this chapter shall be substantially in the following form:
13	IN THE SUPERIOR COURT OF THE
14	STATE OF WASHINGTON
15	IN AND
16	FOR COUNTY
17	Plaintiff/ NO.
18	Landlord/
19	Owner,
20	
21	
22	
23	
24	vs. EVICTION SUMMONS
25	
26	(Residential) Defendant/
27	Tenant/
28	Occupant.
~ ~	
29	THIS IS AN IMPORTANT LEGAL DOCUMENT TO EVICT YOU.
30	YOUR WRITTEN
31	RESPONSE MUST BE RECEIVED BY: 5:00 p.m., on
32	TO: (Defendant's Name)
33	(Defendant's Address)
34	GET HELP: If you do not respond by the deadline above, you will
35	lose your right to defend yourself in court and could be evicted. If
36	you cannot afford a lawyer, you may call 2-1-1 or the Northwest
37	Justice Project CLEAR Hotline outside King County (888) 201-1014

1 weekdays between 9:15 a.m. - 12:15 p.m., or (888) 387-7111 for 2 seniors (age 60 and over). They can refer you to free or low-cost 3 legal help. ((They can help you find help to pay for a lawyer.)) You 4 may find additional information to help you at http:// 5 www.washingtonlawhelp.org.

6 HOW TO RESPOND: Phone calls to your Landlord or your Landlord's 7 lawyer are not a response. You may respond with a "notice of 8 appearance." This is a letter that includes the following:

- (1) A statement that you are appearing in the court case
- 10

9

(2) Names of the landlord(s) and the tenant(s) (as listed above)

(3) Your name, your address where legal documents may be sent, your signature, phone number (if any), and case number (if the case is filed)

18 WHERE TO RESPOND: You must mail, fax, or hand deliver your 19 response letter to your Landlord's lawyer, or if no lawyer is named 20 in the complaint, to your Landlord. If you mail the response letter, 21 you must do it 3 days before the deadline above. Request receipt of a 22 proof of mailing from the post office. If you hand deliver or fax it, 23 you must do it by the deadline above. The address is:

24 (Attorney/Landlord Name)

25 (Address)

26 (Fax - required if available)

27 COURT DATE: If you respond to this Summons, you will be notified 28 of your hearing date in a document called an "Order to Show Cause." 29 This is usually mailed to you. If you get notice of a hearing, you 30 must go to the hearing. If you do not show up, your landlord can 31 evict you. Your landlord might also charge you more money. If you 32 move before the court date, you must tell your landlord or the 33 landlord's attorney.

34 Sec. 5. RCW 59.18.410 and 2019 c 356 s 7 are each amended to 35 read as follows:

36 (1) If at trial the verdict of the jury or, if the case is tried 37 without a jury, the finding of the court is in favor of the landlord 38 and against the tenant, judgment shall be entered for the restitution 39 of the premises; and if the proceeding is for unlawful detainer after

1 neglect or failure to perform any condition or covenant of a lease or agreement under which the property is held, or after default in the 2 3 payment of rent, the judgment shall also declare the forfeiture of the lease, agreement, or tenancy. The jury, or the court, if the 4 proceedings are tried without a jury, shall also assess the damages 5 6 arising out of the tenancy occasioned to the landlord by any forcible entry, or by any forcible or unlawful detainer, alleged in the 7 complaint and proved at trial, and, if the alleged unlawful detainer 8 is based on default in the payment of rent, find the amount of any 9 rent due, and the judgment shall be rendered against the tenant 10 11 liable for the forcible entry, forcible detainer, or unlawful 12 detainer for the amount of damages thus assessed, for the rent, if any, found due, and late fees if such fees are due under the lease 13 and do not exceed seventy-five dollars in total. The court may award 14 statutory costs. The court may also award reasonable attorneys' fees 15 16 as provided in RCW 59.18.290.

(2) When the tenant is liable for unlawful detainer after a 17 18 default in the payment of rent, execution upon the judgment shall not 19 occur until the expiration of five court days after the entry of the judgment. Before ((such time has expired)) entry of a judgment or 20 until five court days have expired after entry of the judgment, the 21 22 tenant or any subtenant, or any mortgagee of the term, or other party 23 interested in the continuance of the tenancy, may pay into court or to the landlord the amount of the rent due, any court costs incurred 24 25 at the time of payment, late fees if such fees are due under the 26 lease and do not exceed seventy-five dollars in total, and attorneys' fees if awarded, in which event any judgment entered shall be 27 satisfied and the tenant restored to his or her tenancy. If the 28 29 tenant seeks to restore his or her tenancy after entry of a judgment, the tenant may tender the amount stated within the judgment as long 30 31 as that amount does not exceed the amount authorized under subsection 32 (1) of this section. If a tenant seeks to restore his or her tenancy and pay the amount set forth in this subsection with funds acquired 33 through an emergency rental assistance program provided by a 34 governmental or nonprofit entity, the tenant shall provide a copy of 35 the pledge of emergency rental assistance provided from the 36 appropriate governmental or nonprofit entity and have an opportunity 37 to exercise such rights under this subsection, which may include a 38 39 stay of judgment and provision by the landlord of documentation 40 necessary for processing the assistance. The landlord shall accept

1 any pledge of emergency rental assistance funds provided to the tenant from a governmental or nonprofit entity before the expiration 2 3 of any pay or vacate notice for nonpayment of rent for the full amount of the rent owing under the rental agreement. The landlord 4 shall accept any written pledge of emergency rental assistance funds 5 6 provided to the tenant from a governmental or nonprofit entity after 7 the expiration of the pay or vacate notice if the pledge will contribute to the total payment of both the amount of rent due, 8 including any current rent, and other amounts if required under this 9 subsection. The landlord shall suspend any court action for seven 10 court days after providing necessary payment information to the 11 nonprofit or governmental entity to allow for payment of the 12 emergency rental assistance funds. By accepting such pledge of 13 emergency rental assistance, the landlord is not required to enter 14 into any additional conditions not related to the provision of 15 necessary payment information and documentation. If a judgment has 16 17 been satisfied, the landlord shall file a satisfaction of judgment with the court. A tenant seeking to exercise rights under this 18 19 subsection shall pay an additional fifty dollars for each time the tenant was reinstated after judgment pursuant to this subsection 20 within the previous twelve months prior to payment. If payment of the 21 22 amount specified in this subsection is not made within five court 23 days after the entry of the judgment, the judgment may be enforced for its full amount and for the possession of the premises. 24

25 (3) (a) Following the entry of a judgment in favor of the landlord 26 and against the tenant for the restitution of the premises and forfeiture of the tenancy due to nonpayment of rent, the court, at 27 28 the time of the show cause hearing or trial, or upon subsequent 29 motion of the tenant but before the execution of the writ of restitution, may stay the writ of restitution upon good cause and on 30 31 such terms that the court deems fair and just for both parties. In 32 making this decision, the court shall consider evidence of the 33 following factors:

34 (i) The tenant's willful or intentional default or intentional 35 failure to pay rent;

36 (ii) Whether nonpayment of the rent was caused by exigent 37 circumstances that were beyond the tenant's control and that are not 38 likely to recur;

39 (iii) The tenant's ability to timely pay the judgment;

40 (iv) The tenant's payment history;

(v) Whether the tenant is otherwise in substantial compliance
 with the rental agreement;

3 (vi) Hardship on the tenant if evicted; and

4 (vii) Conduct related to other notices served within the last six 5 months.

6 (b) The burden of proof for such relief under this subsection (3) 7 shall be on the tenant. If the tenant seeks relief pursuant to this 8 subsection (3) at the time of the show cause hearing, the court shall 9 hear the matter at the time of the show cause hearing or as 10 expeditiously as possible so as to avoid unnecessary delay or 11 hardship on the parties.

12

(c) In any order issued pursuant to this subsection (3):

(i) The court shall not stay the writ of restitution more than ninety days from the date of order, but may order repayment of the judgment balance within such time. If the payment plan is to exceed thirty days, the total cumulative payments for each thirty-day period following the order shall be no less than one month of the tenant's share of the rent, and the total amount of the judgment and all additional rent that is due shall be paid within ninety days.

(ii) Within any payment plan ordered by the court, the court 20 21 shall require the tenant to pay to the landlord or to the court one month's rent within five court days of issuance of the order. If the 22 23 date of the order is on or before the fifteenth of the month, the tenant shall remain current with ongoing rental payments as they 24 25 become due for the duration of the payment plan; if the date of the order is after the fifteenth of the month, the tenant shall have the 26 option to apportion the following month's rental payment within the 27 payment plan, but monthly rental payments thereafter shall be paid 28 29 according to the rental agreement.

(iii) The sheriff may serve the writ of restitution upon the 30 31 tenant before the expiration of the five court days of issuance of 32 the order; however, the sheriff shall not execute the writ of restitution until after expiration of the five court days in order 33 for payment to be made of one month's rent as required by (c) (ii) of 34 this subsection. In the event payment is made as provided in (c)(ii) 35 of this subsection for one month's rent, the court shall stay the 36 writ of restitution ex parte without prior notice to the landlord 37 upon the tenant filing and presenting a motion to stay with a 38 39 declaration of proof of payment demonstrating full compliance with 40 the required payment of one month's rent. Any order staying the writ 1 of restitution under this subsection (3)(c)(iii) shall require the 2 tenant to serve a copy of the order on the landlord by personal 3 delivery, first-class mail, facsimile, or email if agreed to by the 4 parties.

(A) If the tenant has satisfied (c) (ii) of this subsection by 5 6 paying one month's rent within five court days, but defaults on a 7 subsequent payment required by the court pursuant to this subsection (3)(c), the landlord may enforce the writ of restitution after 8 9 serving a notice of default in accordance with RCW 59.12.040 informing the tenant that he or she has defaulted on rent due under 10 11 the lease agreement or payment plan entered by the court. Upon service of the notice of default, the tenant shall have three 12 13 calendar days from the date of service to vacate the premises before 14 the sheriff may execute the writ of restitution.

15 (B) If the landlord serves the notice of default described under 16 this subsection (3)(c)(iii), an additional day is not included in 17 calculating the time before the sheriff may execute the writ of 18 restitution. The notice of default must be in substantially the 19 following form:

20 NOTICE OF DEFAULT FOR RENT AND/OR PAYMENT PLAN ORDERED BY COURT

- 21 NAME(S)
- 22 ADDRESS
- 23 CITY, STATE, ZIP

24 THIS IS NOTICE THAT YOU ARE IN DEFAULT OF YOUR RENT AND/OR
25 PAYMENT PLAN ORDERED BY THE COURT. YOUR LANDLORD HAS RECEIVED THE
26 FOLLOWING PAYMENTS:

- 27 DATE
- 28 AMOUNT
- 29 DATE
- 30 AMOUNT
- 31 DATE
- 32 AMOUNT

33 THE LANDLORD MAY SCHEDULE YOUR PHYSICAL EVICTION WITHIN THREE 34 CALENDAR DAYS OF SERVICE OF THIS NOTICE. TO STOP A PHYSICAL 35 EVICTION, YOU ARE REQUIRED TO PAY THE BALANCE OF YOUR RENT AND/OR 36 PAYMENT PLAN IN THE AMOUNT OF \$....

PAYMENT MAY BE MADE TO THE COURT OR TO THE LANDLORD. IF YOU FAILTO PAY THE BALANCE WITHIN THREE CALENDAR DAYS, THE LANDLORD MAY

ESSB 6378.PL

1 PROCEED WITH A PHYSICAL EVICTION FOR POSSESSION OF THE UNIT THAT

2 YOU ARE RENTING.

3 DATE

4 SIGNATURE

5 LANDLORD/AGENT

6 NAME

7 ADDRESS

8 PHONE

9 (iv) If a tenant seeks to satisfy a condition of this subsection 10 (3)(c) by relying on an emergency rental assistance program provided 11 by a government or nonprofit entity and provides an offer of proof, 12 the court shall stay the writ of restitution as necessary to afford 13 the tenant an equal opportunity to comply.

(v) The court shall extend the writ of restitution as necessary to enforce the order issued pursuant to this subsection (3)(c) in the event of default.

(d) A tenant who has been served with three or more notices to pay or vacate for failure to pay rent as set forth in RCW 59.12.040 within twelve months prior to the notice to pay or vacate upon which the proceeding is based may not seek relief under this subsection (3).

22 (e)(i) In any application seeking relief pursuant to this subsection (3) by either the tenant or landlord, the court shall 23 24 issue a finding as to whether the tenant is low-income, limited 25 resourced, or experiencing hardship to determine if the parties would be eligible for disbursement through the landlord mitigation program 26 27 account established within RCW 43.31.605(1)(c). In making this 28 finding, the court may include an inquiry regarding the tenant's 29 income relative to area median income, household composition, any extenuating circumstances, or other factors, and may rely on written 30 31 declarations or oral testimony by the parties at the hearing.

(ii) After a finding that the tenant is low-income, limited 32 resourced, or experiencing hardship, the court may issue an order: 33 34 (A) Finding that the landlord is eligible to receive on behalf of the tenant and may apply for reimbursement from the landlord mitigation 35 program; and (B) directing the clerk to remit, without further order 36 37 of the court, any future payments made by the tenant in order to 38 reimburse the department of commerce pursuant to RCW 39 43.31.605(1)(c)(iii). In accordance with RCW 43.31.605(1)(c), such an

order must be accompanied by a copy of the order staying the writ of restitution. Nothing in this subsection (3)(((-+))) (e) shall be deemed to obligate the department of commerce to provide assistance in claim reimbursement through the landlord mitigation program if there are not sufficient funds.

6 (iii) If the department of commerce fails to disburse payment to 7 the landlord for the judgment pursuant to this subsection (3)(e) 8 within thirty days from submission of the application, the landlord 9 may renew an application for a writ of restitution pursuant to RCW 10 59.18.370 and for other rent owed by the tenant since the time of 11 entry of the prior judgment. In such event, the tenant may exercise 12 rights afforded under this section.

(iv) Upon payment by the department of commerce to the landlord for the remaining or total amount of the judgment, as applicable, the judgment is satisfied and the landlord shall file a satisfaction of judgment with the court.

(v) Nothing in this subsection (3) (e) prohibits the landlord from otherwise applying for reimbursement for an unpaid judgment pursuant to RCW 43.31.605(1)(c) after the tenant defaults on a payment plan ordered pursuant to (c) of this subsection.

21 (4) If a tenant seeks to stay a writ of restitution issued 22 pursuant to this chapter, the court may issue an ex parte stay of the writ of restitution provided the tenant or tenant's attorney submits 23 a declaration indicating good faith efforts were made to notify the 24 25 other party or, if no efforts were made, why notice could not be 26 provided prior to the application for an ex parte stay, and describing the immediate or irreparable harm that may result if an 27 28 immediate stay is not granted. The court shall require service of the order and motion to stay the writ of restitution by personal 29 delivery, mail, facsimile, or other means most likely to afford all 30 31 parties notice of the court date.

(5) In all other cases the judgment may be enforced immediately.
If a writ of restitution shall have been executed prior to judgment
no further writ or execution for the premises shall be required.

35 (6) This section also applies if the writ of restitution is 36 issued pursuant to a final judgment entered after a show cause 37 hearing conducted in accordance with RCW 59.18.380.

38 Sec. 6. RCW 59.18.230 and 2011 c 132 s 11 are each amended to 39 read as follows:

1 (1)(a) Any provision of a lease or other agreement, whether oral 2 or written, whereby any section or subsection of this chapter is 3 waived except as provided in RCW 59.18.360 and shall be deemed 4 against public policy and shall be unenforceable. Such 5 unenforceability shall not affect other provisions of the agreement 6 which can be given effect without them.

7 (b) A landlord may not threaten a tenant with eviction for 8 failure to pay nonpossessory charges limited under RCW 59.18.283.

(2) No rental agreement may provide that the tenant:

9

10 (a) Agrees to waive or to forgo rights or remedies under this 11 chapter; or

12 (b) Authorizes any person to confess judgment on a claim arising 13 out of the rental agreement; or

14 (c) Agrees to pay the landlord's attorneys' fees, except as 15 authorized in this chapter; or

(d) Agrees to the exculpation or limitation of any liability of the landlord arising under law or to indemnify the landlord for that liability or the costs connected therewith; or

19 (e) And landlord have agreed to a particular arbitrator at the 20 time the rental agreement is entered into.

(3) A provision prohibited by subsection (2) of this section included in a rental agreement is unenforceable. If a landlord deliberately uses a rental agreement containing provisions known by him or her to be prohibited, the tenant may recover actual damages sustained by him or her, statutory damages not to exceed five hundred dollars, costs of suit, and reasonable attorneys' fees.

(4) The common law right of the landlord of distress for rent is 27 hereby abolished for property covered by this chapter. Any provision 28 29 in a rental agreement creating a lien upon the personal property of the tenant or authorizing a distress for rent is null and void and of 30 31 no force and effect. Any landlord who takes or detains the personal property of a tenant without the specific written consent of the 32 tenant to such incident of taking or detention, and who, after 33 written demand by the tenant for the return of his or her personal 34 35 property, refuses to return the same promptly shall be liable to the 36 tenant for the value of the property retained, actual damages, and if 37 the refusal is intentional, may also be liable for damages of up to five hundred dollars per day but not to exceed five thousand dollars, 38 for each day or part of a day that the tenant is deprived of his or 39

1 her property. The prevailing party may recover his or her costs of 2 suit and a reasonable attorneys' fee.

In any action, including actions pursuant to chapters 7.64 or 3 12.28 RCW, brought by a tenant or other person to recover possession 4 of his or her personal property taken or detained by a landlord in 5 violation of this section, the court, upon motion and after notice to 6 7 the opposing parties, may waive or reduce any bond requirements where it appears to be to the satisfaction of the court that the moving 8 party is proceeding in good faith and has, prima facie, a meritorious 9 claim for immediate delivery or redelivery of said property. 10

11 Sec. 7. RCW 59.18.290 and 2019 c 356 s 10 are each amended to 12 read as follows:

(1) It is unlawful for the landlord to remove or exclude from the premises the tenant thereof except under a court order so authorizing. Any tenant so removed or excluded in violation of this section may recover possession of the property or terminate the rental agreement and, in either case, may recover the actual damages sustained. The prevailing party may recover the costs of suit or arbitration and reasonable attorneys' fees.

20 (2) It is unlawful for the tenant to hold over in the premises or exclude the landlord therefrom after the termination of the rental 21 agreement except under a valid court order so authorizing. Any 22 landlord so deprived of possession of premises in violation of this 23 24 section may recover possession of the property and damages sustained 25 by him or her, and the prevailing party may recover his or her costs of suit or arbitration and reasonable attorneys' fees subject to 26 27 subsections (3) and (4) of this section.

(3) Where the court has entered a judgment in favor of the landlord restoring possession of the property to the landlord, the court may award reasonable attorneys' fees to the landlord; however, the court shall not award attorneys' fees in the following instances:

(a) If the judgment for possession is entered after the tenant
 failed to ((appear)) respond to a pleading or other notice requiring
 <u>a response authorized under this chapter</u>; or

35 (b) If the total amount of rent awarded in the judgment for rent 36 is equal to or less than two months of the tenant's monthly contract 37 rent or one thousand two hundred dollars, whichever is greater.

38 (4) If a tenant has filed a motion to stay a writ of restitution 39 from execution, the court may only award attorneys' fees to the 1 landlord if the tenant is permitted to be reinstated <u>pursuant to RCW</u> 2 <u>59.18.410(3)</u>. Any attorneys' fees awarded shall be subject to 3 repayment pursuant to RCW 59.18.410(3).

4 Sec. 8. RCW 43.31.605 and 2019 c 356 s 12 are each amended to 5 read as follows:

6 (1)(a) Subject to the availability of funds for this purpose, the 7 landlord mitigation program is created and administered by the 8 department. The department shall have such rule-making authority as 9 the department deems necessary to administer the program.

10 (b) The following types of claims related to landlord mitigation 11 for renting private market rental units to low-income tenants using a 12 housing subsidy program are eligible for reimbursement from the 13 landlord mitigation program account:

(i) Up to one thousand dollars for improvements identified in RCW 14 15 59.18.255(1)(a). In order to be eligible for reimbursement under this subsection (1)(b)(i), the landlord must pay for the first five 16 hundred dollars for improvements, and rent to the tenant whose 17 18 housing subsidy program was conditioned on the real property passing inspection. Reimbursement under this subsection (1)(b)(i) may also 19 include up to fourteen days of lost rental income from the date of 20 21 offer of housing to the applicant whose housing subsidy program was 22 conditioned on the real property passing inspection until move in by 23 that applicant;

(ii) Reimbursement for damages as reflected in a judgment obtained against the tenant through either an unlawful detainer proceeding, or through a civil action in a court of competent jurisdiction after a hearing;

28 (iii) Reimbursement for damages established pursuant to 29 subsection (2) of this section; and

30 (iv) Reimbursement for unpaid rent and unpaid utilities, provided 31 that the landlord can evidence it to the department's satisfaction.

(c) Claims related to landlord mitigation for an unpaid judgment 32 for rent, late fees, attorneys' fees, and costs after a court order 33 pursuant to RCW 59.18.410(3), including any unpaid portion of the 34 35 judgment after the tenant defaults on the payment plan pursuant to RCW 59.18.410(3)(c), are eligible for reimbursement from the landlord 36 mitigation program account and are exempt from any postjudgment 37 38 interest required under RCW 4.56.110. Any claim for reimbursement made pursuant to RCW 59.18.410(3)(e)(ii) must be accompanied by a 39

1 <u>court order staying the writ of restitution pursuant to RCW</u>
2 <u>59.18.410(3)</u>. Any claim for reimbursement under this subsection
3 (1)(c) is not an entitlement.

4 (i) The department shall provide for a form on its web site for 5 tenants and landlords to apply for reimbursement funds for the 6 landlord pursuant to this subsection (1)(c).

7 (ii) The form must include: (A) Space for the landlord and tenant to provide names, mailing addresses, phone numbers, date of birth for 8 the tenant, and any other identifying information necessary for the 9 department to process payment; (B) the landlord's statewide vendor 10 11 identification number and how to obtain one; (C) name and address to 12 whom payment must be made; (D) the amount of the judgment with instructions to include any other supporting documentation the 13 department may need to process payment; (E) instructions for how the 14 tenant is to reimburse the department under (c)(iii) of this 15 16 subsection; (F) a description of the consequences if the tenant does 17 not reimburse the department as provided in this subsection (1)(c); (G) a signature line for the landlord and tenant to confirm that they 18 have read and understood the contents of the form and program; and 19 (H) any other information necessary for the operation of the program. 20 21 If the tenant has not signed the form after the landlord has made 22 good faith efforts to obtain the tenant's signature, the landlord may 23 solely submit the form but must attest to the amount of money owed and sign the form under penalty of perjury. 24

25 (iii) When a landlord has been reimbursed pursuant to this 26 subsection (1)(c), the tenant for whom payment was made shall reimburse the department by depositing the amount disbursed from the 27 landlord mitigation program account into the court registry of the 28 superior court in which the judgment was entered. The tenant or other 29 interested party may seek an ex parte order of the court under the 30 31 unlawful detainer action to order such funds to be disbursed by the 32 court. Upon entry of the order, the court clerk shall disburse the 33 funds and include a case number with any payment issued to the department. If directed by the court, a clerk shall issue any 34 payments made by a tenant to the department without further court 35 36 order.

(iv) The department may deny an application made by a tenant who has failed to reimburse the department for prior payments issued pursuant to this subsection (1)(c).

1 (v) With any disbursement from the account to the landlord, the department shall notify the tenant at the address provided within the 2 3 application that a disbursement has been made to the landlord on the tenant's behalf and that failure to reimburse the account for the 4 payment through the court registry may result in a denial of a future 5 6 application to the account pursuant to this subsection (1)(c). The department may include any other additional information about how to 7 reimburse the account it deems necessary to fully inform the tenant. 8

9 (vi) The department's duties with respect to obtaining 10 reimbursement from the tenant to the account are limited to those 11 specified within this subsection (1)(c).

12 If at any time funds do not exist in the landlord (vii) mitigation program account to reimburse claims submitted under this 13 14 subsection (1)(c), the department must create and maintain a waitlist 15 and distribute funds in the order the claims are received pursuant to 16 subsection (6) of this section. Payment of any claims on the waitlist 17 shall be made only from the landlord mitigation program account. The 18 department shall not be civilly or criminally liable and may not have 19 any penalty or cause of action of any nature arise against it regarding the provision or lack of provision of funds for 20 21 reimbursement.

(2) In order for a claim under subsection (1)(b)(iii) of this
 section to be eligible for reimbursement from the landlord mitigation
 program account, a landlord must:

(a) Have ensured that the rental property was inspected at the commencement of the tenancy by both the tenant and the landlord or landlord's agent and that a detailed written move-in property inspection report, as required in RCW 59.18.260, was prepared and signed by both the tenant and the landlord or landlord's agent;

30 (b) Make repairs and then apply for reimbursement to the 31 department;

32 (c) Submit a claim on a form to be determined by the department,33 signed under penalty of perjury; and

(d) Submit to the department copies of the move-in property inspection report specified in (a) of this subsection and supporting materials including, but not limited to, before repair and after repair photographs, videos, copies of repair receipts for labor and materials, and such other documentation or information as the department may request.

1 (3) The department shall make reasonable efforts to review a claim within ten business days from the date it received properly 2 3 submitted and complete claims to the satisfaction of the department. In reviewing a claim pursuant to subsection (1)(b) of this section, 4 and determining eligibility for reimbursement, the department must 5 6 receive documentation, acceptable to the department in its sole 7 discretion, that the claim involves a private market rental unit rented to a low-income tenant who is using a housing subsidy program. 8

9 (4) Claims pursuant to subsection (1)(b) of this section related 10 to a tenancy must total at least five hundred dollars in order for a 11 claim to be eligible for reimbursement from the program. While claims 12 or damages may exceed five thousand dollars, total reimbursement from 13 the program may not exceed five thousand dollars per tenancy.

14 (5) Damages, beyond wear and tear, that are eligible for reimbursement include, but are not limited to: Interior wall gouges 15 16 and holes; damage to doors and cabinets, including hardware; carpet 17 stains or burns; cracked tiles or hard surfaces; broken windows; damage to household fixtures such as disposal, toilet, sink, sink 18 handle, ceiling fan, and lighting. Other property damages beyond 19 normal wear and tear may also be eligible for reimbursement at the 20 21 department's discretion.

(6) All reimbursements for eligible claims shall be made on a first-come, first-served basis, to the extent of available funds. The department shall use best efforts to notify the tenant of the amount and the reasons for any reimbursements made.

(7) The department, in its sole discretion, may inspect the property and the landlord's records related to a claim, including the use of a third-party inspector as needed to investigate fraud, to assist in making its claim review and determination of eligibility.

30 (8) A landlord in receipt of reimbursement from the program
 31 pursuant to subsection (1) (b) of this section is prohibited from:

32 (a) Taking legal action against the tenant for damages33 attributable to the same tenancy; or

(b) Pursuing collection, or authorizing another entity to pursue
 collection on the landlord's behalf, of a judgment against the tenant
 for damages attributable to the same tenancy.

(9) A landlord denied reimbursement under subsection (1)(b)(iii) of this section may seek to obtain a judgment from a court of competent jurisdiction and, if successful, may resubmit a claim for damages supported by the judgment, along with a certified copy of the

ESSB 6378.PL

judgment. The department may reimburse the landlord for that portion of such judgment that is based on damages reimbursable under the landlord mitigation program, subject to the limitations set forth in this section.

5 (10) Determinations regarding reimbursements shall be made by the 6 department in its sole discretion.

7 (11) The department must establish a web site that advertises the 8 landlord mitigation program, the availability of reimbursement from 9 the landlord mitigation program account, and maintains or links to 10 the agency rules and policies established pursuant to this section.

11 (12) Neither the state, the department, or persons acting on 12 behalf of the department, while acting within the scope of their 13 employment or agency, is liable to any person for any loss, damage, 14 harm, or other consequence resulting directly or indirectly from the 15 department's administration of the landlord mitigation program or 16 determinations under this section.

17 (13) (a) A report to the appropriate committees of the legislature on the effectiveness of the program and recommended modifications 18 shall be submitted to the governor and the appropriate committees of 19 the legislature by January 1, 2021. In preparing the report, the 20 21 department shall convene and solicit input from a group of 22 stakeholders to include representatives of large multifamily housing property owners or managers, small rental housing owners in both 23 rural and urban markets, a representative of tenant advocates, and a 24 25 representative of the housing authorities.

(b) The report shall include discussion of the effectiveness of the program as well as the department's recommendations to improve the program, and shall include the following:

(i) The number of total claims and total amount reimbursed to landlords by the fund;

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(ii) Any indices of fraud identified by the department;

32 (iii) Any reports by the department regarding inspections 33 authorized by and conducted on behalf of the department;

34 (iv) An outline of the process to obtain reimbursement for 35 improvements and for damages from the fund;

36 (v) An outline of the process to obtain reimbursement for lost 37 rent due to the rental inspection and tenant screening process, 38 together with the total amount reimbursed for such damages;

39 (vi) An evaluation of the feasibility for expanding the use of 40 the mitigation fund to provide up to ninety-day no interest loans to

p. 18

ESSB 6378.PL

1 landlords who have not received timely rental payments from a housing 2 authority that is administering section 8 rental assistance;

3 (vii) Any other modifications and recommendations made by 4 stakeholders to improve the effectiveness and applicability of the 5 program.

6

(14) As used in this section:

7 (a) "Housing subsidy program" means a housing voucher as 8 established under 42 U.S.C. Sec. 1437 as of January 1, 2018, or other 9 housing subsidy program including, but not limited to, valid short-10 term or long-term federal, state, or local government, private 11 nonprofit, or other assistance program in which the tenant's rent is 12 paid either partially by the program and partially by the tenant, or 13 completely by the program directly to the landlord;

(b) "Low-income" means income that does not exceed eighty percent of the median income for the standard metropolitan statistical area in which the private market rental unit is located; and

17 (c) "Private market rental unit" means any unit available for 18 rent that is owned by an individual, corporation, limited liability 19 company, nonprofit housing provider, or other entity structure, but 20 does not include housing acquired, or constructed by a public housing 21 agency under 42 U.S.C. Sec. 1437 as it existed on January 1, 2018.

22 <u>NEW SECTION.</u> Sec. 9. Sections 5 through 8 of this act are 23 necessary for the immediate preservation of the public peace, health, 24 or safety, or support of the state government and its existing public 25 institutions, and take effect immediately.

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