

**SHB 1515 - H AMD 420**

By Representative Caldier

**ADOPTED 03/08/2021**

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 59.18  
4 RCW to read as follows:

5 (1) Notwithstanding any other provision of law, if a landlord  
6 chooses to waive a security deposit requirement, and a tenant agrees  
7 to instead pay a fee in lieu of a security deposit, the landlord  
8 shall:

9 (a) Ensure that the fee in lieu of a security deposit is strictly  
10 optional for the tenant, and the tenant may choose to pay a full  
11 security deposit rather than a fee in lieu of a security deposit;

12 (b) Not use a prospective tenant's choice to pay a fee in lieu of  
13 a security deposit or a traditional security deposit as a criterion  
14 in the determination of whether to approve an application for  
15 occupancy;

16 (c) If choosing to offer the fee in lieu of a security deposit  
17 option, offer it to every prospective tenant whose application for  
18 occupancy has been approved, without further regard to income, race,  
19 gender, disability, sexual orientation, immigration status, size of  
20 household, or credit score following such approval;

21 (d) Allow any tenant that agrees to pay a fee in lieu of a  
22 security deposit, to opt out of the continuing fee in lieu of a  
23 security deposit obligation upon full payment of the security deposit  
24 that is otherwise in effect for the tenant's apartment on the day of  
25 the opt out; and

26 (e) Disclose to the tenant in writing:

27 (i) The terms of any insurance coverage purchased by the landlord  
28 for unpaid rent and unit damage and paid for by the tenant through  
29 fees charged in lieu of a security deposit including, but not limited  
30 to, the amount of any cap on coverage, and costs excluded from such  
31 coverage; and

1 (ii) That the payment of the fee in lieu of a security deposit  
2 does not preclude the insurer or the landlord from proceeding against  
3 the tenant to recover sums for damage to the property for which the  
4 tenant is responsible together with reasonable attorneys' fees.

5 (2) A landlord found in violation of subsection (1) of this  
6 section shall be held liable to the tenant in a civil action up to  
7 two times the monthly rent of the real property at issue, as well as  
8 court or arbitration costs and reasonable attorneys' fees.

9 (3) Any fee in lieu of a security deposit:

10 (a) May be entirely or partially nonrefundable, so long as this  
11 is disclosed in the lease and separately acknowledged by the tenant;

12 (b) Does not constitute rent as defined in RCW 59.18.030,  
13 provided that nothing in this section shall preclude the landlord  
14 from proceeding in a civil action against, and the landlord shall  
15 have the right to proceed against, a tenant to recover unpaid fees;

16 (c) May be utilized by the landlord to purchase insurance  
17 coverage for unpaid rent or unit damage from a lawful insurer,  
18 provided that a landlord may not charge a fee that is more than the  
19 reasonable cost of obtaining and administering such insurance. As of  
20 July 1, 2024, all insurance policies relating to this section must be  
21 from insurance companies authorized to transact insurance in this  
22 state by the insurance commissioner;

23 (d) May be a recurring monthly fee, or payable upon any schedule  
24 and in any amount that the landlord and tenant choose, provided that  
25 the first month's fee is a nonrefundable fee as contemplated under  
26 RCW 59.18.610; and

27 (e) Shall not be considered by a court, arbitrator, mediator, or  
28 any other dispute resolution adjudicator to be a security deposit or  
29 governed by state or local codes governing security deposits, except  
30 that any action taken against a tenant to recover for costs of  
31 repairs, whether by the landlord or an insurer, shall be commenced  
32 within one year of the termination of the rental agreement or the  
33 tenant's abandonment of the premises and shall otherwise comply with  
34 the requirements in RCW 59.18.280 insofar as they relate to  
35 documentation of damages, standards for normal wear and tear, or  
36 other standards of proof required to make a claim against a deposit  
37 in RCW 59.18.280."

38 Correct the title.

EFFECT: (1) Requires the landlord who accepts fees from a tenant in lieu of the security deposit to disclose to the tenant in writing the terms of any insurance coverage purchased by the landlord for unpaid rent and unit damage paid for by the fee and that payment of the fee does not preclude the insurer or the landlord from proceeding against the tenant to recover for damage to the property.

(2) Provides that the penalty for a landlord who violates the requirements of offering a fee in lieu of a security deposit is two times the monthly rent of the property, and any court costs and attorneys' fees.

(3) Provides that any fee in lieu of a security deposit does not constitute rent.

(4) Beginning July 1, 2024, requires all insurance policies purchased by the landlord using the fee in lieu of a security deposit to be from insurance companies authorized to transact insurance in Washington by the Insurance Commissioner.

(5) Requires that any action against a tenant to recover for costs of repairs begin within one year of the end of the tenancy or the tenant's abandonment of the premises and that the action complies with statute concerning documentation of damages, standards for normal wear and tear, or other standards of proof required to make a claim against a deposit.

--- END ---