

# FINAL BILL REPORT

## SHB 1593

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Synopsis as Enacted

**Brief Description:** Expanding the landlord mitigation program to alleviate the financial burden on victims attempting to flee domestic violence, sexual assault, unlawful harassment, or stalking.

**Sponsors:** House Committee on Housing, Human Services & Veterans (originally sponsored by Representatives Leavitt, Riccelli, Ryu, Taylor, Shewmake, Chopp, Wylie, Fitzgibbon, Caldier, Wicks, Barkis, Simmons, Duerr, Ramel, Eslick, Graham, Valdez, Gregerson, Bateman, Bronoske, Davis, Fey, Gilday, Macri, Peterson, Rule, Santos, Slatter, Bergquist, Tharinger, Kloba, Pollet, Griffey, Dolan, Ormsby, Chambers, Young, Hackney and Frame).

**House Committee on Housing, Human Services & Veterans**  
**Senate Committee on Housing & Local Government**  
**Senate Committee on Ways & Means**

### **Background:**

#### Residential Landlord-Tenant Act.

The Residential Landlord-Tenant Act (RLTA) regulates the relationship between landlords and tenants of residential dwelling units and includes provisions regarding the duties of tenants and landlords, remedies for violations of those duties, and prohibited actions.

#### *Damage Deposits.*

Landlords may collect a damage or security deposit at the inception of a tenancy to cover any damage caused to the property by the tenant, in excess of normal wear and tear resulting from ordinary use. Within 21 days after the termination of the rental agreement and vacation of the premises, or after abandonment by the tenant, the landlord must give a full and specific statement of the basis for retaining any of the deposit and pay any refund due the tenant. No portion of any deposit may be withheld on account of normal wear and tear. If damages exceed the amount of the damage deposit, the landlord may proceed against the tenant to recover those sums.

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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 part of the legislation nor does it constitute a statement of legislative intent.*

### *Termination by Tenant.*

A tenant who terminates a tenancy of a specified time, sometimes called a lease, prior to the end of the lease period is liable for rent until the end of the period, although the landlord is required to mitigate his or her damages by attempting to re-rent the unit at a fair rental price. Alternatively, a dwelling unit may be rented for an indefinite time, from month to month or period to period. Such a tenancy is automatically renewed for another month or period until terminated by the landlord for causes specified under the RLTA or by the tenant by giving at least 20 days' written notice.

A tenant may terminate a tenancy without further obligation under a rental agreement if the tenant notifies the landlord in writing that the tenant or a household member is a victim of a crime of domestic violence, sexual assault, unlawful harassment, or stalking and:

- the tenant or household member has a valid order of protection or has reported the domestic violence, sexual assault, or stalking to a qualified third party who has provided a written record of the report;
- the tenant makes the protection order or written record available to the landlord; and
- the request to terminate is made within 90 days of the reported act or event that led to the protection order or report.

A written record that a report was made to a qualified third party is satisfied by a document signed by the third party that includes specified information or completion of a form that substantially complies with the form set out in the RLTA. The qualified third party must be a member of law enforcement, a health professional, a court employee, a licensed mental health professional or counselor, a trained advocate for crime victim or witness programs, or clergy.

A tenant who terminates a rental agreement under these circumstances is liable for payment of rent for the month in which the tenant quits the premises but is not responsible for the payment of rent for any future months. In addition, the tenant is entitled to a full refund of the deposit notwithstanding any lease provision that allows for forfeiture of a deposit for early termination. However, the tenant remains responsible for any damage caused to the property in excess of normal wear and tear, and the landlord may retain some or all of the damage deposit to cover that damage as with any other tenancy.

### Landlord Mitigation Program.

The Landlord Mitigation Program (LMP) allows landlords to seek reimbursement for unpaid rent, damages, and other costs by submitting a claim to the Department of Commerce (Commerce) under three separate programs.

### *Landlord Damage Relief Program.*

A landlord may seek reimbursement from the LMP for claims related to renting private market rental units to low-income tenants using a housing subsidy program. This program allows up to \$1,000 in reimbursement to landlords for potentially required move-in upgrades, up to 14 days of lost rental income, and up to \$5,000 in any unpaid rent and

utilities and qualifying damages caused by a tenant during the tenancy. Any landlord that has screened, approved, and offered rental housing to any applicant that will be using any form of housing subsidy program is eligible to submit a claim, except for properties operated by housing authorities.

*Tenancy Preservation Program.*

A landlord also may file a reimbursement claim from the LMP in unlawful detainer cases where judicial discretion is exercised and there is an unpaid judgment for rent, late fees, attorneys' fees, and costs, including any unpaid portion of the judgment after the tenant defaults on a court ordered-payment plan. The court may issue an order finding that the landlord is eligible to receive reimbursement from the LMP if the court finds that the tenant is low-income, limited resourced, or experiencing hardship.

*Landlord COVID Relief Program.*

A landlord also may seek reimbursement under the LMP for up to \$15,000 of any unpaid rent that accrued between March 1, 2020, and six months following the expiration of the Governor's eviction moratorium, when the tenant is low-income, resource-limited, or experiencing hardship and has voluntarily vacated or abandoned the tenancy. A landlord is not eligible if the tenancy was terminated due to an unlawful detainer action based on nonpayment of rent. A landlord is also eligible to file a reimbursement claim for up to \$15,000 for any remaining rent after the tenant defaults on a repayment plan as long as the tenancy has not been terminated at the time of reimbursement. After reimbursement under either type of claim, the landlord may not take legal action or pursue a collection action against the tenant for damages or seek any remaining unpaid rent accrued between March 1, 2020, and six months following expiration of the Governor's eviction moratorium.

**Summary:**

The LMP is expanded to allow landlords' claims up to \$5,000 for damages to rental property when:

- the tenant has terminated his or her tenancy due to domestic violence, sexual assault, unlawful harassment, or stalking as authorized under the RLTA;
- the property has sustained damage beyond normal wear and tear;
- the landlord has, within 21 days of termination:
  - provided the tenant with a statement regarding the basis for retaining any of the damage deposit; and
  - rather than retaining any of the damage deposit for those damages, returned the full damage deposit to the tenant; and
- the landlord has agreed not to proceed against the tenant to recover sums exceeding the amount of the damage deposit.

The Department of Commerce must provide a form on its website for landlords to apply for reimbursement. In reviewing a claim and determining eligibility, Commerce must receive acceptable documentation that the claim involves a tenancy that was terminated pursuant to

the RLTA section concerning victims of domestic violence, sexual assault, unlawful harassment, or stalking, and that all other LMP requirements have been met.

Any claim for reimbursement is not an entitlement. If, at any time, funds do not exist in the LMP Account to reimburse claims that have been submitted under this new provision, Commerce must create a waitlist for claims and distribute funds in the order the claims are received.

A landlord receiving reimbursement from the LMP under the new provision taking may not retain any portion of the tenant's deposit or proceed against the tenant to recover any balance exceeding the amount of the tenant's deposit for damage to the property.

The form used by a qualified third party as the record of the report of domestic violence, sexual assault, unlawful harassment, or stalking is amended to require the qualified third party to verify that the tenant has been informed about the LMP and Commerce's form for reimbursement.

The authority and eligibility of public housing authorities to apply for reimbursement under the LMP is clarified.

**Votes on Final Passage:**

House	96	0
Senate	48	0

**Effective:** June 9, 2022  
July 1, 2022 (Section 5)