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**SUBSTITUTE HOUSE BILL 1515**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** House Housing, Human Services & Veterans (originally sponsored by Representatives Peterson, Springer, Simmons, Santos, Taylor, Shewmake, Dufault, Barkis, Thai, Ormsby, and Lekanoff)

READ FIRST TIME 02/15/21.

1 AN ACT Relating to security deposit waiver fees; and adding a new  
2 section to chapter 59.18 RCW.

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

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

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

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

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

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

1 (d) Allow any tenant that agrees to pay a fee in lieu of a  
2 security deposit, to opt out of the continuing fee in lieu of a  
3 security deposit obligation upon full payment of the security deposit  
4 that is otherwise in effect for the tenant's apartment on the day of  
5 the opt out.

6 (2) Any fee in lieu of a security deposit:

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

9 (b) May be utilized by the landlord to purchase coverage for  
10 unpaid rent or unit damage from a third-party insurer, so long as the  
11 insurer is licensed by the office of the insurance commissioner,  
12 provided that a landlord may not charge a fee that is more than the  
13 reasonable cost of obtaining and administering such third-party  
14 insurance;

15 (c) May be a recurring monthly fee, or payable upon any schedule  
16 and in any amount that the landlord and tenant choose, provided that  
17 the first month's fee is a nonrefundable fee as contemplated under  
18 RCW 59.18.610; and

19 (d) Shall not be considered by a court, arbitrator, mediator, or  
20 any other dispute resolution adjudicator to be a security deposit or  
21 governed by state or local codes governing security deposits.

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