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HOUSE BILL 1904

State of Washington 67th Legislature 2022 Regular Session

By Representatives Peterson, Morgan, Simmons, Chopp, Ormsby, J. Johnson, Ramel, Hackney, Frame, Riccelli, Lekanoff, Taylor, Bateman, Fitzgibbon, Macri, Harris-Talley, and Pollet

Read first time 01/11/22. Referred to Committee on Housing, Human Services & Veterans.

- AN ACT Relating to protecting tenants from excessive rent and related fees by providing at least six months' notice for rent increases over a certain amount, allowing tenants the right to terminate a tenancy, and limiting late fees; amending RCW 59.18.140, 59.18.650, and 59.18.170; reenacting and amending RCW 59.18.230; and adding a new section to chapter 59.18 RCW.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 59.18 9 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 180 and 220 days before the increase takes effect.
- 14 (b) The notice must inform the tenant, in clear language, that
 15 because the landlord seeks to increase the rent paid by the tenant in
 16 an amount greater than three percent above the base rent, pursuant to
 17 subsection (2) of this section, the tenant may terminate the tenancy
 18 at any point prior to the effective date of the increase and, in that
 19 case, shall only owe pro rata rent through the date upon which the
 20 tenant surrenders the premises.

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(2) 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.

- (3) (a) Any notice of an increase in the amount of rent under this 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.
- (4) A landlord may not increase the rent an amount greater than three percent above the base rent except in accordance with this section. 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.
- (5) For the purposes of this section, "base rent" means the lowest monthly or periodic rent paid by the tenant in the 12 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.
- **Sec. 2.** RCW 59.18.140 and 2019 c 105 s 1 are each amended to 24 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 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)) 30 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.

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(3) (a) Except as provided in <u>section 1(1)(a) of this act and</u> (b) of this subsection, a landlord shall provide a minimum of ((sixty)) <u>60</u> 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)) 30 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.
- **Sec. 3.** RCW 59.18.650 and 2021 c 212 s 2 are each amended to 15 read as follows:
 - (1) (a) A landlord may not evict a tenant, refuse to continue a tenancy, or end a periodic tenancy except for the causes enumerated in subsection (2) of this section and as otherwise provided in this subsection.
 - (b) If a landlord and tenant enter into a rental agreement that provides for the tenancy to continue for an indefinite period on a month-to-month or periodic basis after the agreement expires, the landlord may not end the tenancy except for the causes enumerated in subsection (2) of this section; however, a landlord may end such a tenancy at the end of the initial period of the rental agreement without cause only if:
 - (i) At the inception of the tenancy, the landlord and tenant entered into a rental agreement between six and 12 months; and
 - (ii) The landlord has provided the tenant before the end of the initial lease period at least 60 days' advance written notice ending the tenancy, served in a manner consistent with RCW 59.12.040.
 - (c) If a landlord and tenant enter into a rental agreement for a specified period in which the tenancy by the terms of the rental agreement does not continue for an indefinite period on a month-to-month or periodic basis after the end of the specified period, the landlord may end such a tenancy without cause upon expiration of the specified period only if:
 - (i) At the inception of the tenancy, the landlord and tenant entered into a rental agreement of 12 months or more for a specified

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period, or the landlord and tenant have continuously and without interruption entered into successive rental agreements of six months or more for a specified period since the inception of the tenancy;

- (ii) The landlord has provided the tenant before the end of the specified period at least 60 days' advance written notice that the tenancy will be deemed expired at the end of such specified period, served in a manner consistent with RCW 59.12.040; and
- (iii) The tenancy has not been for an indefinite period on a month-to-month or periodic basis at any point since the inception of the tenancy. However, for any tenancy of an indefinite period in existence as of May 10, 2021, if the landlord and tenant enter into a rental agreement between May 10, 2021, and three months following the expiration of the governor's proclamation 20-19.6 or any extensions thereof, the landlord may exercise rights under this subsection (1)(c) as if the rental agreement was entered into at the inception of the tenancy provided that the rental agreement is otherwise in accordance with this subsection (1)(c).
- (d) For all other tenancies of a specified period not covered under (b) or (c) of this subsection, and for tenancies of an indefinite period on a month-to-month or periodic basis, a landlord may not end the tenancy except for the causes enumerated in subsection (2) of this section. Upon the end date of the tenancy of a specified period, the tenancy becomes a month-to-month tenancy.
- (e) Nothing prohibits a landlord and tenant from entering into subsequent lease agreements that are in compliance with the requirements in subsection (2) of this section.
- (f) A tenant may end a tenancy for a specified time by providing notice in writing not less than 20 days prior to the ending date of the specified time <u>unless a shorter time period is allowed due to a rent increase as specified under section 1(2) of this act.</u>
- (2) The following reasons listed in this subsection constitute cause pursuant to subsection (1) of this section:
- (a) The tenant continues in possession in person or by subtenant after a default in the payment of rent, and after written notice requiring, in the alternative, the payment of the rent or the surrender of the detained premises has remained uncomplied with for the period set forth in RCW 59.12.030(3) for tenants subject to this chapter. The written notice may be served at any time after the rent becomes due;

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(b) The tenant continues in possession after substantial breach of a material program requirement of subsidized housing, material term subscribed to by the tenant within the lease or rental agreement, or a tenant obligation imposed by law, other than one for monetary damages, and after the landlord has served written notice specifying the acts or omissions constituting the breach and requiring, in the alternative, that the breach be remedied or the rental agreement will end, and the breach has not been adequately remedied by the date specified in the notice, which date must be at least 10 days after service of the notice;

- (c) The tenant continues in possession after having received at least three days' advance written notice to quit after he or she commits or permits waste or nuisance upon the premises, unlawful activity that affects the use and enjoyment of the premises, or other substantial or repeated and unreasonable interference with the use and enjoyment of the premises by the landlord or neighbors of the tenant;
- (d) The tenant continues in possession after the landlord of a dwelling unit in good faith seeks possession so that the owner or his or her immediate family may occupy the unit as that person's principal residence and no substantially equivalent unit is vacant and available to house the owner or his or her immediate family in the same building, and the owner has provided at least 90 days' advance written notice of the date the tenant's possession is to end. There is a rebuttable presumption that the owner did not act in good faith if the owner or immediate family fails to occupy the unit as a principal residence for at least 60 consecutive days during the 90 days immediately after the tenant vacated the unit pursuant to a notice to vacate using this subsection (2)(d) as the cause for the lease ending;
- (e) The tenant continues in possession after the owner elects to sell a single-family residence and the landlord has provided at least 90 days' advance written notice of the date the tenant's possession is to end. For the purposes of this subsection (2)(e), an owner "elects to sell" when the owner makes reasonable attempts to sell the dwelling within 30 days after the tenant has vacated, including, at a minimum, listing it for sale at a reasonable price with a realty agency or advertising it for sale at a reasonable price by listing it on the real estate multiple listing service. There shall be a

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1 rebuttable presumption that the owner did not intend to sell the unit 2 if:

- (i) Within 30 days after the tenant has vacated, the owner does not list the single-family dwelling unit for sale at a reasonable price with a realty agency or advertise it for sale at a reasonable price by listing it on the real estate multiple listing service; or
- (ii) Within 90 days after the date the tenant vacated or the date the property was listed for sale, whichever is later, the owner withdraws the rental unit from the market, the landlord rents the unit to someone other than the former tenant, or the landlord otherwise indicates that the owner does not intend to sell the unit;
- (f) The tenant continues in possession of the premises after the landlord serves the tenant with advance written notice pursuant to RCW 59.18.200(2)(c);
- (g) The tenant continues in possession after the owner elects to withdraw the premises to pursue a conversion pursuant to RCW 64.34.440 or 64.90.655;
- (h) The tenant continues in possession, after the landlord has provided at least 30 days' advance written notice to vacate that: (i) The premises has been certified or condemned as uninhabitable by a local agency charged with the authority to issue such an order; and (ii) continued habitation of the premises would subject the landlord to civil or criminal penalties. However, if the terms of the local agency's order do not allow the landlord to provide at least 30 days' advance written notice, the landlord must provide as much advance written notice as is possible and still comply with the order;
- (i) The tenant continues in possession after an owner or lessor, with whom the tenant shares the dwelling unit or access to a common kitchen or bathroom area, has served at least 20 days' advance written notice to vacate prior to the end of the rental term or, if a periodic tenancy, the end of the rental period;
- (j) The tenant continues in possession of a dwelling unit in transitional housing after having received at least 30 days' advance written notice to vacate in advance of the expiration of the transitional housing program, the tenant has aged out of the transitional housing program, or the tenant has completed an educational or training or service program and is no longer eligible to participate in the transitional housing program. Nothing in this subsection (2)(j) prohibits the ending of a tenancy in transitional housing for any of the other causes specified in this subsection;

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(k) The tenant continues in possession of a dwelling unit after the expiration of a rental agreement without signing a proposed new rental agreement proffered by the landlord; provided, that the landlord proffered the proposed new rental agreement at least 30 days prior to the expiration of the current rental agreement and that any new terms and conditions of the proposed new rental agreement are reasonable. This subsection (2)(k) does not apply to tenants whose tenancies are or have become periodic;

- (1) The tenant continues in possession after having received at least 30 days' advance written notice to vacate due to intentional, knowing, and material misrepresentations or omissions made on the tenant's application at the inception of the tenancy that, had these misrepresentations or omissions not been made, would have resulted in the landlord requesting additional information or taking an adverse action;
- (m) The tenant continues in possession after having received at least 60 days' advance written notice to vacate for other good cause prior to the end of the period or rental agreement and such cause constitutes a legitimate economic or business reason not covered or related to a basis for ending the lease as enumerated under this subsection (2). When the landlord relies on this basis for ending the tenancy, the court may stay any writ of restitution for up to 60 additional days for good cause shown, including difficulty procuring alternative housing. The court must condition such a stay upon the tenant's continued payment of rent during the stay period. Upon granting such a stay, the court must award court costs and fees as allowed under this chapter;
- (n) (i) The tenant continues in possession after having received at least 60 days' written notice to vacate prior to the end of the period or rental agreement and the tenant has committed four or more of the following violations, other than ones for monetary damages, within the preceding 12-month period, the tenant has remedied or cured the violation, and the landlord has provided the tenant a written warning notice at the time of each violation: A substantial breach of a material program requirement of subsidized housing, a substantial breach of a material term subscribed to by the tenant within the lease or rental agreement, or a substantial breach of a tenant obligation imposed by law;
 - (ii) Each written warning notice must:
 - (A) Specify the violation;

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- (B) Provide the tenant an opportunity to cure the violation;
- (C) State that the landlord may choose to end the tenancy at the end of the rental term if there are four violations within a 12-month period preceding the end of the term; and
- (D) State that correcting the fourth or subsequent violation is not a defense to the ending of the lease under this subsection;
 - (iii) The 60-day notice to vacate must:

- (A) State that the rental agreement will end upon the specified ending date for the rental term or upon a designated date not less than 60 days after the delivery of the notice, whichever is later;
- (B) Specify the reason for ending the lease and supporting facts; and
- (C) Be served to the tenant concurrent with or after the fourth or subsequent written warning notice;
- (iv) The notice under this subsection must include all notices supporting the basis of ending the lease;
- (v) Any notices asserted under this subsection must pertain to four or more separate incidents or occurrences; and
- (vi) This subsection (2)(n) does not absolve a landlord from demonstrating by admissible evidence that the four or more violations constituted breaches under (b) of this subsection at the time of the violation had the tenant not remedied or cured the violation;
- (o) The tenant continues in possession after having received at least 60 days' advance written notice to vacate prior to the end of the rental period or rental agreement if the tenant is required to register as a sex offender during the tenancy, or failed to disclose a requirement to register as a sex offender when required in the rental application or otherwise known to the property owner at the beginning of the tenancy;
- (p) The tenant continues in possession after having received at least 20 days' advance written notice to vacate prior to the end of the rental period or rental agreement if the tenant has made unwanted sexual advances or other acts of sexual harassment directed at the property owner, property manager, property employee, or another tenant based on the person's race, gender, or other protected status in violation of any covenant or term in the lease.
- (3) When a tenant has permanently vacated due to voluntary or involuntary events, other than by the ending of the tenancy by the landlord, a landlord must serve a notice to any remaining occupants who had coresided with the tenant at least six months prior to and up

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to the time the tenant permanently vacated, requiring the occupants to either apply to become a party to the rental agreement or vacate within 30 days of service of such notice. In processing any application from a remaining occupant under this subsection, the landlord may require the occupant to meet the same screening, background, and financial criteria as would any other prospective tenant to continue the tenancy. If the occupant fails to apply within 30 days of receipt of the notice in this subsection, or application is denied for failure to meet the criteria, the landlord may commence an unlawful detainer action under this chapter. If an occupant becomes a party to the tenancy pursuant to this subsection, a landlord may not end the tenancy except as provided under subsection (2) of this section. This subsection does not apply to tenants residing in subsidized housing.

(4) A landlord who removes a tenant or causes a tenant to be removed from a dwelling in any way in violation of this section is liable to the tenant for wrongful eviction, and the tenant prevailing in such an action is entitled to the greater of their economic and noneconomic damages or three times the monthly rent of the dwelling at issue, and reasonable attorneys' fees and court costs.

- (5) Nothing in subsection (2)(d), (e), or (f) of this section permits a landlord to end a tenancy for a specified period before the completion of the term unless the landlord and the tenant mutually consent, in writing, to ending the tenancy early and the tenant is afforded at least 60 days to vacate.
- (6) All written notices required under subsection (2) of this section must:
 - (a) Be served in a manner consistent with RCW 59.12.040; and
 - (b) Identify the facts and circumstances known and available to the landlord at the time of the issuance of the notice that support the cause or causes with enough specificity so as to enable the tenant to respond and prepare a defense to any incidents alleged. The landlord may present additional facts and circumstances regarding the allegations within the notice if such evidence was unknown or unavailable at the time of the issuance of the notice.
- **Sec. 4.** RCW 59.18.170 and 2020 c 177 s 1 are each amended to read as follows:
 - (1) If at any time during the tenancy the tenant fails to carry out the duties required by RCW 59.18.130 or 59.18.140, the landlord

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may, in addition to pursuit of remedies otherwise provided by law, give written notice to the tenant of said failure, which notice shall specify the nature of the failure.

- (2) The landlord may not charge a late fee for rent that is paid within five days following its due date. If rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. Late fees charged to a tenant for nonpayment of rent may not exceed one and one-half percent of the tenant's monthly rent. Nothing in this subsection prohibits a landlord from serving a notice to pay or vacate at any time after the rent becomes due.
- (3) When late fees may be assessed after rent becomes due, the tenant may propose that the date rent is due in the rental agreement be altered to a different due date of the month. The landlord shall agree to such a proposal if it is submitted in writing and the tenant can demonstrate that his or her primary source of income is a regular, monthly source of governmental assistance that is not received until after the date rent is due in the rental agreement. The proposed rent due date may not be more than five days after the date the rent is due in the rental agreement. Nothing in this subsection shall be construed to prevent a tenant from making a request for reasonable accommodation under federal, state, or local law.
 - Sec. 5. RCW 59.18.230 and 2021 c 212 s 5 and 2021 c 115 s 15 are each reenacted and amended to read as follows:
 - (1) (a) Any provision of a lease or other agreement, whether oral or written, whereby any section or subsection of this chapter is waived except as provided in RCW 59.18.360 and shall be deemed against public policy and shall be unenforceable. Such unenforceability shall not affect other provisions of the agreement which can be given effect without them.
 - (b) Any agreement, whether oral or written, between a landlord and tenant, or their representatives, and entered into pursuant to an unlawful detainer action under this chapter that requires the tenant to pay any amount in violation of RCW 59.18.283 or the statutory judgment amount limits under RCW 59.18.410 (1) or (2), or waives any rights of the tenant under RCW 59.18.410 or any other rights afforded under this chapter except as provided in RCW 59.18.360 is void and

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unenforceable. A landlord may not threaten a tenant with eviction for failure to pay nonpossessory charges limited under RCW 59.18.283.

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

- (a) Agrees to waive or to forgo rights or remedies under this chapter; or
- (b) Authorizes any person to confess judgment on a claim arising out of the rental agreement; or
- (c) Agrees to pay the landlord's attorneys' fees, except as 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
 - (e) And landlord have agreed to a particular arbitrator at the time the rental agreement is entered into; or
 - (f) Agrees to pay late fees in excess of one and one-half percent of the tenant's monthly rent or for rent that is paid within five days following its due date. If rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. Nothing in this subsection prohibits a landlord from serving a notice to pay or vacate at any time after the rent becomes due.
 - (3) A provision prohibited by subsection (2) of this section included in a rental agreement is unenforceable. If a landlord knowingly 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 two times the monthly rent charged for the unit, costs of suit, and reasonable attorneys' fees.
 - (4) The common law right of the landlord of distress for rent is hereby abolished for property covered by this chapter. Any provision 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 no force and effect. Any landlord who takes or detains the personal property of a tenant without the specific written consent of the tenant to such incident of taking or detention, and who, after written demand by the tenant for the return of his or her personal property, refuses to return the same promptly shall be liable to the tenant for the value of the property retained, actual damages, and if the refusal is intentional, may also be liable for damages of up to \$500 per day but not to exceed \$5,000, for each day or part of a day

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that the tenant is deprived of his or her property. The prevailing party may recover his or her costs of suit and a reasonable attorneys' fee.

In any action, including actions pursuant to chapters 7.64 or 4 12.28 RCW, brought by a tenant or other person to recover possession 5 6 of his or her personal property taken or detained by a landlord in violation of this section, the court, upon motion and after notice to 7 the opposing parties, may waive or reduce any bond requirements where 8 it appears to be to the satisfaction of the court that the moving 9 party is proceeding in good faith and has, prima facie, a meritorious 10 claim for immediate delivery or redelivery of said property. 11

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