

# SENATE BILL REPORT

## ESB 5313

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As Passed Senate, February 19, 2025

**Title:** An act relating to adding to the list of provisions prohibited from rental agreements.

**Brief Description:** Adding to the list of provisions prohibited from rental agreements.

**Sponsors:** Senators Pedersen, Goehner, Cleveland, Hasegawa, Nobles and Valdez.

**Brief History:**

**Committee Activity:** Housing: 1/29/25, 1/31/25 [DP, w/oRec].

**Floor Activity:** Passed Senate: 2/19/25, 41-7.

**Brief Summary of Engrossed Bill**

- Updates the list of provisions that are prohibited in residential rental agreements.

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### SENATE COMMITTEE ON HOUSING

**Majority Report:** Do pass.

Signed by Senators Bateman, Chair; Alvarado, Vice Chair; Goehner, Ranking Member; Orwall, Salomon and Trudeau.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Gildon.

**Staff:** Bill Fosbre (786-7531)

**Background:** Residential Landlord-Tenant Act. The Residential Landlord-Tenant Act (RLTA) regulates the creation of residential tenancies and the relationship between landlords and tenants of residential dwelling units. The RLTA establishes rights and duties of both tenants and landlords, procedures for the parties to enforce their rights, and remedies for violations of the RLTA.

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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.*

Under the RLTA, a rental agreement may not include provisions in which the tenant agrees to certain conditions, such as:

- waive or forgo rights or remedies available under the RLTA;
- pay the landlord's attorneys' fees except as authorized; or
- pay late fees for rent paid within five days following its due date.

**Summary of Engrossed Bill:** A landlord may not include in the rental agreement a provision in which the tenant agrees to:

- waive or forgo any right to bring, join, or otherwise participate in or maintain any cause of action against the tenant's landlord or the landlord's representatives or agents including, but not limited to, class actions;
- sign a nondisclosure agreement relating to the lease agreement or details of the offer, including rent amount, security deposits or fees, rent concessions, move-in gifts, or lease specials or terms;
- arbitrate disputes, unless the landlord pays the entire cost of the arbitration, and the agreement is notarized; and
- use and pay for nonessential services. Nothing prohibits a landlord from offering nonessential services, but tenants must be allowed to opt out of such services without a fee if they choose to not participate. "Nonessential services" means a third-party service offered by the landlord to the tenant at the tenant's cost where an equivalent is available at no cost, but does not include a duty required to be provided by a landlord to keep the premises fit for human habitation or utilities to include insurance and internet that are required by the lease agreement to be paid by the tenant. Nothing herein shall prohibit a landlord from automatically enrolling tenants in such services, at a cost disclosed within the lease agreement, upon a tenant's failure to timely perform such services that are required to be performed by the tenant pursuant to the terms of the lease, and the tenant shall remain responsible for reimbursing the landlord for these costs. The landlord may apply such charges as additional rent.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The way rent is set can be a problem, and when a renter wanted to join a class action lawsuit to challenge how it was set, she found out she waived her right to participate in the class action in her lease agreement, which is unfair. Having lease provisions that force the tenant to arbitrate any dispute will make it very difficult for tenants to resolve issues because typically they have to pay half of the costs of arbitration, and many tenants cannot afford these costs. Landlords prohibiting

tenants from disclosing what their rent payments are seems anticompetitive. Renters should know if their rent and fees increases are in line with their community. There is widespread agreement on these three provisions.

Renters should not be forced into paying for someone else to haul their trash bag from in front of their door to the garbage. This is a non-essential service that renters should be able to do on their own. Renters have been forced to pay for this service even when the garbage is not picked up. Landlords are avoiding hiring their own people to haul the garbage and maintain the buildings. The tenants are being forced to pay for maintenance costs that are the responsibilities of the landlord.

This bill would be a better bill if manufactured homeowners were added because unlike renters manufactured homeowners cannot leave. A prohibition against tenants having to waive the right to a jury trial should be added. And the definition of third party should be clarified.

CON: Valet garbage services provide safety, sanitation, and a higher level of service to the buildings. The service mitigates fire risk, deters pests, and contributes to the overall health of the community. The service only works if everyone participates, and so residents should not be allowed to opt out of disposal services. Other states have legislation preventing tenants from opting out. The service also helps with the safety and health of the tenants by reducing trip and falls from taking their garbage to the trash receptacles. The service enhances convenience for the tenants.

Valet garbage service providers are upfront and transparent about the costs. If there is a problem with the service provided, then require stronger cost disclosure provisions to prospective renters.

If you restrict property owners then certain core and critical services might not be provided like technology packages, credit reporting, and rental insurance. This can lead to higher base rent prices. Property owners rely on third party services and may have no choice but to raise the base rental costs. These fees help stabilize underlying rental prices. If there is a problem, then mandate transparency. This disrupts a balanced ecosystem, reduces tenant access to services, and may drive up rental costs.

**Persons Testifying:** PRO: Senator Jamie Pedersen, Prime Sponsor; Michele Thomas, Washington Low Income Housing Alliance; Emily Rosenzweig, No Valet Garbage; Ishbel Dickens, Assoc of Manufactured Home Owners.

CON: Rich Stein, Valet Living; Dave Haldi, Credit Gnomes Inc.; Carter Nelson, Washington Multi-Family Housing Association; Alexander Akins, InSite Property Solutions.

**Persons Signed In To Testify But Not Testifying:** No one.