

SENATE BILL REPORT

SB 5260

As Reported by Senate Committee On:
Housing & Local Government, February 3, 2021

Title: An act relating to requiring annual reporting from the eviction resolution pilot program.

Brief Description: Requiring annual reporting from the eviction resolution pilot program.

Sponsors: Senators Kuderer, Fortunato, Das, Gildon, Hasegawa, Nguyen and Randall.

Brief History:

Committee Activity: Housing & Local Government: 1/21/21, 2/03/21 [DPS].

Brief Summary of First Substitute Bill

- Requires participating superior courts and dispute resolution centers in the eviction resolution pilot program (ERP) to report certain program data on an annual basis to the Administrative Office of the Courts (AOC).
- Requires the AOC to annually report the ERP data to the Legislature.

SENATE COMMITTEE ON HOUSING & LOCAL GOVERNMENT

Majority Report: That Substitute Senate Bill No. 5260 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kuderer, Chair; Das, Vice Chair; Fortunato, Ranking Member; Gildon, Assistant Ranking Member; Short, Assistant Ranking Member; Cleveland, Lovelett, Salomon and Warnick.

Staff: Brandon Popovac (786-7465)

Background: Eviction Resolution Pilot Program. On September 9, 2020, the Washington Supreme Court (court) issued Order No. 25700-B-639 authorizing an eviction resolution

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program (ERP) in the superior courts.

Six counties have been chosen to participate in the ERP pilot. Each ERP operates in accordance with the court enabling order and a standing order of the local superior court. These orders require landlords to undertake efforts to engage tenants in pre-filing resolution efforts, including direct negotiation, facilitated conciliation services, and, upon agreement of both parties, formal mediation provided by the participating Dispute Resolution Centers (DRCs). Eligible cases are those where non-payment of rent or non-compliance with previously agreed-upon payment plans are the primary reason for the decision to evict.

The stated objective of the ERP is to:

- bring all parties to the table with the assistance of qualified and trained Eviction Resolution Specialists (specialists);
- explore the amount of rent arrears, the current and prospective circumstances of the tenant, the availability of rent and other assistance to cure or partially cure the arrearage; and
- discover a range of other terms that might resolve the matter in a way that allows the tenant to retain housing and avoid the need for filing an unlawful detainer action.

The ERP is a two-step process. Along with a rent due notice/letter, a landlord will send notice #1, a request for a formal first meeting involving the two parties and DRC staff. Notice #1 also includes contact information of the participating DRC, rental assistance resources, and the county tenant attorneys. Upon receipt of the rent due notice and notice #1, the tenant has 14 days to voluntarily engage in the process. If the tenant does not respond to the initial contact, the landlord sends the tenant notice #2, which is another request to engage in the ERP program. The tenant has ten days to respond to this second contact and the landlord sends a copy of notice #2 to the participating DRC.

Once a landlord and tenant voluntarily enter into the ERP process, specialists will work with both parties and external partners to resolve the issue of non-payment and future payments. If resolution cannot be achieved, formal mediation will be offered to the landlords/tenants at no cost.

The ERP process can be initiated by either the landlord or the tenant without service of a 14-day notice. If the tenant initiates or responds to a notice, the landlord is obligated to participate in the process. Once the Governor's eviction moratorium—Proclamation 20-19.5—and any of its amendments or extensions expire, the ERP will require landlords to engage in pre-litigation conciliation efforts prior to filing an unlawful detainer action.

Dispute Resolution Centers. DRCs were first authorized in statute as part of the 1984 Court Improvement Act in order to provide forums in which persons may voluntarily participate in resolving disputes in an informal and less adversarial atmosphere than a judicial setting. A DRC may be created and operated by a city or county, or by a nonprofit corporation. Participation by all parties is voluntary, and services offered by a DRC must be provided

without charge to the participants, or for a fee which is based upon the participant's ability to pay. DRCs handle numerous types of cases and disputes, including for landlords and tenants.

Summary of Bill (First Substitute): Any superior court, in collaboration with the DRC that is located within or serving the same county, participating in the ERP must report annually to the Administrative Office of the Courts (AOC) beginning January 1, 2022, until January 1, 2023, on the following:

- the number of unlawful detainer actions for nonpayment of rent that were subject to program requirements;
- the number of referrals made to DRCs;
- the number of unlawful detainer actions resolved by the ERP;
- how many instances the tenant had legal representation, either at the conciliation stage or formal mediation stage;
- the number of certifications issued by DRCs and filed by landlords with the court; and
- any other information that relates to the efficacy of the ERP.

By July 1, 2022, until July 1, 2023, the AOC must provide an annual report to the Legislature summarizing the ERP report data shared by the superior courts and DRCs.

EFFECT OF CHANGES MADE BY HOUSING & LOCAL GOVERNMENT COMMITTEE (First Substitute):

- Modifies reporting dates for both the superior courts and the AOC under the ERP to align within the next fiscal biennium.

Appropriation: None.

Fiscal Note: Available.

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 on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The purpose of the bill is to determine if the ERP is successful or not, and allows for the Legislature to be good stewards of taxpayer funds.

OTHER: The ERP seems limited operating in only six counties. Receiving a first full report in 18 months is not soon enough to determine if the ERP is successful or not. Data needs to be shared sooner and an initial report at six months with semi-annual updates is preferred.

Persons Testifying: PRO: Senator Patty Kuderer, Prime Sponsor.

OTHER: Chester Baldwin, Rental Housing Coalition.

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