CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6402

Chapter 136, Laws of 2004

58th Legislature
2004 Regular Session

LANDLORD TRUST ACCOUNTS

EFFECTIVE DATE: 6/10/04

Passed by the Senate March 9, 2004
YEAS 43  NAYS 0

Passed by the House March 4, 2004
YEAS 94  NAYS 0

Approved March 26, 2004.

I, Milton H. Doumit, Jr., Secretary of the Senate of the State of Washington, do hereby certify that the attached is SUBSTITUTE SENATE BILL 6402 as passed by the Senate and the House of Representatives on the dates hereon set forth.

MILTON H. DOUMIT JR.  
Secretary

GARY F. LOCKE  
Governor of the State of Washington

FILED
March 26, 2004 - 3:07 p.m.
1 AN ACT Relating to giving landlords the flexibility to deposit
2 landlord trust account funds in any financial institution; and amending
3 RCW 59.18.270 and 59.20.170.

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

Sec. 1. RCW 59.18.270 and 1975 1st ex.s. c 233 s 1 are each
amended to read as follows:

All moneys paid to the landlord by the tenant as a deposit as
security for performance of the tenant's obligations in a lease or
rental agreement shall promptly be deposited by the landlord in a trust
account, maintained by the landlord for the purpose of holding such
security deposits for tenants of the landlord, in a (bank, savings and
loan association, mutual savings bank,) financial institution as
defined by RCW 30.22.041 or licensed escrow agent located in
Washington. Unless otherwise agreed in writing, the landlord shall be
entitled to receipt of interest paid on such trust account deposits.
The landlord shall provide the tenant with a written receipt for the
deposit and shall provide written notice of the name and address and
location of the depository and any subsequent change thereof. If
during a tenancy the status of landlord is transferred to another, any
sums in the deposit trust account affected by such transfer shall simultaneously be transferred to an equivalent trust account of the successor landlord, and the successor landlord shall promptly notify the tenant of the transfer and of the name, address, and location of the new depository. The tenant's claim to any moneys paid under this section shall be prior to that of any creditor of the landlord, including a trustee in bankruptcy or receiver, even if such moneys are commingled.

Sec. 2. RCW 59.20.170 and 1999 c 359 s 15 are each amended to read as follows:

(1) All moneys paid to the landlord by the tenant as a deposit as security for performance of the tenant's obligations in a rental agreement shall promptly be deposited by the landlord in a trust account, maintained by the landlord for the purpose of holding such security deposits for tenants of the landlord, in a ((bank, savings and loan association, mutual savings bank,)) financial institution as defined by RCW 30.22.041 or licensed escrow agent located in Washington. Except as provided in subsection (2) of this section, unless otherwise agreed in writing, the landlord shall be entitled to receipt of interest paid on such trust account deposits. The landlord shall provide the tenant with a written receipt for the deposit and shall provide written notice of the name and address and location of the depository and any subsequent change thereof. If during a tenancy the status of landlord is transferred to another, any sums in the deposit trust account affected by such transfer shall simultaneously be transferred to an equivalent trust account of the successor landlord, and the successor landlord shall promptly notify the tenant of the transfer and of the name, address and location of the new depository. The tenant's claim to any moneys paid under this section shall be prior to that of any creditor of the landlord, including a trustee in bankruptcy or receiver, even if such moneys are commingled.

(2) All moneys paid, in excess of two months' rent on the mobile home lot, to the landlord by the tenant as a deposit as security for performance of the tenant's obligations in a rental agreement shall be deposited into an interest-bearing trust account for the particular tenant. The interest accruing on the deposit in the account, minus
fees charged to administer the account, shall be paid to the tenant on an annual basis. All other provisions of subsection (1) of this section shall apply to deposits under this subsection.

Passed by the Senate March 9, 2004.
Approved by the Governor March 26, 2004.
Filed in Office of Secretary of State March 26, 2004.