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## Housing Committee

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### ESSB 5577

**Brief Description:** Making available relocation assistance payments to tenants.

**Sponsors:** Senate Committee on Financial Institutions, Housing & Consumer Protection  
(originally sponsored by Senators Fairley, Keiser, Kline, Fraser, Poulsen and Kohl-Welles).

#### Brief Summary of Engrossed Substitute Bill

- Requires landlords to pay relocation assistance, as well as to return any deposits and prepaid rent, to tenants who are displaced because their residence is condemned or declared unlawful to occupy except in cases in which the condemnation or no occupancy order directly results from a natural disaster or illegal tenant or third party action.
- Allows local governments: to advance the cost of relocation assistance payments; to assess interest and penalties if a property owner fails to timely reimburse the local government; and to recover attorneys' fees if legal action is initiated in order to collect.

**Hearing Date:**

**Staff:** Robyn Dupuis (786-7166).

**Background:**

Under the Residential Landlord Tenant Act, if a governmental agency notifies a landlord that a dwelling is condemned or unlawful to occupy, that landlord may not enter into any additional rental agreements for that dwelling until the violations are corrected. If the landlord does enter into a rental agreement with a new tenant, that tenant is entitled to recover three months rent, or up to treble the actual damages sustained as a result of the violation, and any legal costs incurred. If such a tenant is forced to relocate, or chooses to move as a result of the conditions cited by the governmental agency, the tenant is also entitled to recover any deposits paid, and any prepaid rent.

Tenants who live in a dwelling, and have an established rental agreement at the time that a property is condemned or determined to be unlawful to occupy, are not entitled to receive any relocation reimbursement, nor reimbursement for deposits or prepaid rent.

If a landlord or property owner fails to comply with a final order to repair or demolish a dwelling, the governing body of the local jurisdiction may direct the dwelling to be repaired or demolished. The cost of these activities incurred by the local jurisdiction are assessed against the property. Such an assessment constitutes a lien against the property.

## **Summary of Bill:**

A statutory procedure is created to provide relocation assistance to tenants of dwellings that fail to meet health and safety standards. If a government agency notifies a landlord that a dwelling will be condemned or will be unlawful to occupy, the landlord shall be required to pay relocation assistance to all displaced tenants except in cases in which the condemnation or no occupancy order is caused by a natural disaster or is directly caused by a tenant or third party's illegal action without the landlord having prior knowledge of such activity.

Relocation assistance shall consist of the following:

- The greater amount of \$2,000 per dwelling unit or three times the monthly rent. The amount of this relocation assistance shall be adjusted annually by the percentage change in the housing component of the Consumer Price Index.
- The entire amount of any deposit prepaid by the tenant and all prepaid rent.

In addition, tenants are entitled to recover any actual damages sustained by them as a result of their displacement that exceeds the amount of relocation assistance that is payable.

Landlords must provide relocation assistance within seven days of the notice of condemnation, eviction, or displacement. If the landlord fails to do so, the local government may advance relocation assistance payments to the displaced tenants. The landlord is obligated to repay the municipality within 30 days.

If, within 30 days, a landlord fails to repay the amount of the advanced relocation assistance, interest will begin to accrue and the local government will assess penalties in the amount of \$50 per day for each tenant who received assistance. If legal action is necessary to collect from the landlord, then the local government is also entitled to recover any associated legal fees and costs.

The amount of relocation assistance advanced by the local government, and not repaid by the property owner, as well as all penalties and interest accrued, may be included in a lien against the property, which also may include other costs of vacating and closing the property incurred by the local government.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.