

SENATE BILL REPORT

SB 5408

As Reported by Senate Committee On:
Financial Institutions & Insurance, February 2, 2017

Title: An act relating to increasing the notice of termination for tenancies under the residential landlord-tenant act.

Brief Description: Increasing the notice of termination for tenancies under the residential landlord-tenant act.

Sponsors: Senators Cleveland, Miloscia, Kuderer, Saldaña, Frockt, Pedersen, Darneille and Keiser.

Brief History:

Committee Activity: Financial Institutions & Insurance: 1/31/17, 2/02/17 [DPS].

Brief Summary of Substitute Bill

- Increases the notification requirements for terminating a residential rental agreement from 20 days to 30 days.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: That Substitute Senate Bill No. 5408 be substituted therefor, and the substitute bill do pass.

Signed by Senators Angel, Chair; Mullet, Ranking Minority Member; Hobbs and Kuderer.

Staff: Jeff Olsen (786-7428)

Background: Washington's Residential Landlord-Tenant Act (RLTA) governs the relationship between landlords and tenants of residential dwelling units. A landlord or tenant may terminate a periodic tenancy by providing at least 20 days' written notice prior to the end of the month. Any tenant that is a member of the armed forces may terminate a rental agreement with less than 20 days' notice if the tenant receives reassignment or deployment orders that do not allow for a 20-day notice.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill (First Substitute): The notification requirement for terminating a residential rental agreement is increased from 20 days to 30 days. Any tenant that is a member of the armed forces may terminate a rental agreement with less than 30 days' notice if the tenant receives reassignment or deployment orders that do not allow for a 30-day notice.

EFFECT OF CHANGES MADE BY FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE (First Substitute):

- Removes the 60-day notice requirement for terminating a periodic residential agreement if a tenant has occupied a premise for two or more years.

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 on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: There is a housing crisis in some parts of Washington, including Seattle and Vancouver, with decreasing affordable housing options and rising rents. Tenants need more than 20-day notice to find replacement housing with limited options available. Certain cities have passed local ordinances requiring longer timeframes than what is provided in current law. By providing 30 day notice, it is consistent with the monthly payment of rent. Providing extra time, 60-day notice, for tenants that have lived in their home for two or more years, is consistent with policy in Oregon. By providing additional notice, tenants have more time to explore replacement housing options, and it can mean the difference between finding a suitable housing alternative and homelessness. The City of Vancouver has adopted a 60-day notice to vacate property to provide more time for tenants to find housing options.

CON: We need to have data and evaluate policy options to see how effective they are in addressing the issues before adopting changes. The real issue is record low vacancy rates and not having enough housing in certain areas. Landlord and tenant groups need to work together to find solutions that work for everyone. There are unintended consequences to this policy in cases where the tenant is not paying rent. The tenant most likely will not pay rent to save money for a new rental, and this will lead to additional lost revenue for landlords. The losses will mean landlords need to charge more to cover the increased costs of providing housing, perhaps charging first and last months rent.

Persons Testifying: PRO: Senator Annette Cleveland, Prime Sponsor; Pamela Crone, Columbia Legal Services; Xochitl Maykovich, Washington CAN, Political Organizer; Alishia Topper, City of Vancouver Council Member; Kate Budd, Council for the Homeless; Dominique Horn, citizen.

CON: Chester Baldwin, Washington Rental Owners Association; Bill Hinkle, Rental Housing Association of Washington.

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