

SENATE BILL REPORT

SB 5733

As of February 14, 2019

Title: An act relating to protecting tenants in residential tenancies.

Brief Description: Protecting tenants in residential tenancies.

Sponsors: Senators Saldaña, Nguyen and Wilson, C..

Brief History:

Committee Activity: Financial Institutions, Economic Development & Trade: 2/07/19.

Brief Summary of Bill

- Requires a court order for eviction and establishes what constitutes cause for an eviction.
- Provides certain notice requirements for a landlord to give a tenant when terminating a tenancy.
- Defines certain terms within the Residential Landlord-Tenant Act including rent and tenant.
- Establishes certain requirements for landlords.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

Staff: Kellee Gunn (786-7429)

Background: The 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.

A tenant is defined in the RLTA as any person who is entitled to occupy a dwelling unit primarily for living or dwelling purposes under a rental agreement.

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.

Unlawful Detainer. Unlawful detainer is the legal process for evicting a residential tenant. A tenant is guilty of unlawful detainer when the tenant has failed to pay rent, failed to comply with terms of the rental agreement, created waste or a nuisance on the property, or the tenancy is a month-to-month or periodic tenancy and the landlord gave the tenant notice to terminate. When a tenant has failed to pay rent, the landlord must give the tenant three days' notice in writing requiring payment or the surrender of the premises. If rent is not paid within the three-day time period, the tenant is guilty of unlawful detainer and may be evicted from the premises.

Other than the three-day notice under unlawful detainer for failure to pay rent, the landlord may serve a ten-day notice for a breach of the lease agreement, a three-day notice to vacate due to nuisance activity or laying waste to the property, or a twenty-day notice terminating the tenancy with or without cause.

Damages for Certain Prohibited Actions. The statutory damages that may be awarded to a tenant when a landlord engages in certain unlawful practices is limited to up to \$500 and the cost of the suit.

The statutory damages a tenant may recover when a landlord intentionally and wrongfully takes and detains a tenant's property is \$500 for each day the tenant is deprived of the property, up to a maximum of \$5,000.

Summary of Bill: Tenant. The term tenant is amended to include any occupant who has lived with the tenant for six months or more prior to the tenant vacating the property.

Rent. Rent is defined as the amount for use and occupancy of a premises and does not include charges for costs incurred due to late fees, damages, utilities, deposits, legal costs, or other fees, including attorneys' fees.

Cause for Terminating Tenancy. A landlord may not evict, or attempt to evict, a tenant without a court order. The order may be issued by a court only after the landlord pleads specific cause. The tenant has an opportunity at a show cause hearing to contest the eviction.

The following institute cause for the landlord and cause for terminating tenancy:

1. The tenant continues in possession after nonpayment of rent for a period of 21 days after written notice, provided the property complies with state and local code.
2. The tenant continues to substantially violate the terms of the original lease or rental agreement after 30 days written notice, other than one for monetary damages. The lease or rental agreement may be saved from forfeiture within 30 days after notice.
3. The tenant continues to commit, after three days' written notice to cease, an ongoing, substantial interference with the use and enjoyment of the premises.
4. The tenant of a residential building with three units or less continues in possession after the owner, in good faith, seeks to occupy the unit. Another unit equal to the one they are seeking possession of must not be available. The owner must give at least 90 days' advance written notice of the date the tenant's possession is to end. It is prohibited for an owner to take possession of the unit if the tenant is sixty years of age or older or is a person with a disability, unless a comparable dwelling is made available to the tenant. For it to be in good faith, the owner's family shall occupy the

- unit as a principle residence for at least 60 days within the 90 days after the tenant vacates the unit.
5. The tenant continues in possession after the owner decides to take the property off of the rental market, and the owner has given at least 120 days advance written notice of the date the tenant's possession is to end.
 6. The tenant continues in possession of the premises after the landlord serves the tenant 120 days advance written notice with plans to substantially rehabilitate or demolish the dwelling.
 7. The tenant continues in possession, after receiving written notice that the property is condemned or uninhabitable.

If a cause for eviction is violated, the person shall be held liable in a civil action up to four and one-half times the monthly rent, as well as court costs and reasonable attorney's fees.

Landlords. The landlord must first apply any payment made by a tenant towards rent before applying any payment toward late fees, damages, utilities, deposits, legal costs, or other fees, including attorneys' fees.

A landlord may no longer give termination of tenancy if the tenant is behind in rent or in breach of their rental obligation if the property is found not to be in compliance with current laws and codes. A provision is removed that neither party may recover attorney's fees if their legal services are provided at no cost to them.

Damages awarded to a tenant when a landlord engages in certain unlawful practices are increased to one month's rent or triple the amount of actual damages, whichever is greater.

Exemption of the RLTA for an employee of a landlord whose occupancy of a dwelling is conditioned upon employment in or about the premises is removed.

Periodic Rental Agreements. All periodic rental agreements, upon expiration and absent another renewal agreement, shall be interpreted to be a month-to-month agreement with rent payable on the same terms and conditions in existence at the time of expiration and subject to the protections of this chapter.

A fixed-term rental agreement cannot be terminated for the purpose of rehabilitation, withdrawing from the rental market, or decision by the owner to occupy the unit.

Deposit at Termination of the Rental Agreement. The landlord has 21 days after the termination of the rental agreement and the tenant leaving the premises to give an account for retaining any of the tenant's deposit and payment of any refund due under the terms and conditions of the rental agreement. Copies of estimates received or invoices paid to substantiate damage charges for the tenant must be included. No unsubstantiated damages may be charged to the tenant.

If the landlord fails to provide those documents to the tenant within the appropriate time, the tenant must receive their deposit. The court shall award up to two times the amount of the deposit for the intentional refusal of the landlord to give the statement, documentation, or

refund due. No portion of the deposit may be retained by the landlord as a result of normal wear and tear resulting from ordinary use of the premises.

Trustee's Sale. Protections afforded to a tenant or an occupant pursuant to the RLTA shall extend to a trustee's sale.

Appropriation: None.

Fiscal Note: Requested on February 1, 2019.

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: Housing and homelessness continues to be an issue. This is about having just cause before and giving notice before terminating a tenancy. There should be support for tenants, and they should have notice and opportunities to keep their home. The current 20 days' notice to vacate is not enough time to find another place to live. Finding rentals on a fixed budget and having enough for first and last month rent for a new place within that timeframe is impossible. When applying for a new rental, background check documents ask whether or not you have ever been asked to leave a rental making it seem as if the you did something wrong. Tenants put up with poor conditions in order to keep housing. No cause terminations should be outlawed. Right now we are in a homelessness crisis. Over the last five years we have lost about 5000 fair market rental homes. One in fifty-five adults have been evicted in Washington State and most of these are single women with children. Eviction is not about housing insecurity, it is about equality.

The RLTA needs modernization. The cost of evictions will go up incrementally. This bill will fix a loophole in the fair housing laws. Tenants have zero protection. Landlords do not use the eviction process regularly. The 120 days notice of termination of tenancy in this bill would help tenants and allow them to find a place to live within their means. And it allows time to get the funds for first and last month rent. There is a group of Washington landlords that care, and think it is important to support stability housing for all. This bill will not impact good landlords, and will protect the most vulnerable.

CON: Many cities have looked at this policy, and the majority of them have not imposed just cause. In one case, the lease was signed for 12 months and the renter paid late over eight times. When we decided to terminate the lease, we received a death threat. The tenant damaged the property, and the cost of repairing it was over \$3,600. If this bill was law then, the process would have taken longer and the property damage would have been worse. The overwhelming number of evictions are because of nonpayment of rent. There are provisions in this bill that would create hardships for landlords including using a neutral third party, and the process of figuring out what normal wear and tear is. This will make renting more difficult for mom and pop landlords. Corporations do not have the privilege of working with tenants that may have a criminal history. This will force landlords pass on costs as a result of this bill to renters.

OTHER: There is a connection between the RLTA's deposit provisions and homelessness. These claims and charges lead to issues for people to find housing and prevent people from finding a place to live. Defining wear and tear would help, and requiring landlords to show valid costs for claims would allow for transparency in this process.

Persons Testifying: PRO: Senator Rebecca Saldaña, Prime Sponsor; John Stovell, Washington Low Income Housing Alliance; Chris Keer, citizen; Krystall Marx, citizen; Kim Thornton, citizen; Neal Black, citizen; Julissa Sanchez, Tenants Union of Washington State; Ashok Chandwaney, citizen; Malakay Betor, citizen; Sarah Howe, citizen; Xochitl Maykovich, citizen.

CON: Deborah Reiswig, Equity Residential; Kyle Woodring, Rental Housing Association of Washington; Brett Waller, Washington Multi-Family Housing Association; Ronald Bunn; Jerry Rheault, citizen; Shirley Rheault, citizen.

OTHER: Daniel Ediger, Northwest Justice Project.

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