

# FINAL BILL REPORT

## ESSB 5577

---

---

### C 364 L 05

Synopsis as Enacted

**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).

**Senate Committee on Financial Institutions, Housing & Consumer Protection**  
**House Committee on Housing**

**Background:** The Residential Landlord Tenant Act (RLTA) provides that if a landlord has been notified by a government agency of a housing, or any similarly applicable, code violation that renders the dwelling condemned, or otherwise legally uninhabitable, the landlord must not enter into any rental agreement until the conditions creating the violation are remedied.

A tenant is entitled to the following remedies, if a landlord knowingly entered into a rental agreement prior to correcting such code violations: (1) three months rent or treble actual damages, which ever is greater; (2) costs of suit or arbitration; and (3) reasonable attorney's fees. In the event that the tenant either opts, or is required, to vacate the dwelling due to the building's condition, the tenant is also entitled to recover any amounts paid as a deposit or prepaid rent.

If the local legislative body finds applicable code violations that require a dwelling to be closed and vacated, repaired, altered, or demolished, that government may adopt ordinances to address such violations, which may include assessing the local government's costs of repairs, vacating and closing, or demolition against the real property that incurred the costs.

There are concerns that certain tenants are forced to remain in housing that is below the state's minimum standards for health and safety due to the inability to pay for relocation costs. Further, in cases where such buildings have been condemned, low-income families are often displaced without any where else to go and that therefore, a process to provide relocation funds in such instances is needed.

**Summary:** Under RLTA a statutory procedure is created to provide relocation assistance to tenants of dwellings that fail to meet the state's health and safety standards. This procedure provides that, if a landlord has been notified that a dwelling is to be condemned or is uninhabitable due to conditions in violation of applicable health and safety laws, the landlord is required to pay relocation assistance to the displaced tenants. Relocation assistance will be the greater of 2,000 dollars per dwelling unit or three times the monthly rent. However, landlords are not required to pay relocation assistance in the event the damage resulting in the condemnation or no occupancy order is: (1) directly the result of a tenant or third party's illegal conduct of which the landlord had no prior knowledge; (2) due to natural disasters; or (3) the result of an eminent domain action.

Relocation assistance, along with any deposit or prepaid rent, must be paid to the tenant within seven days of government notice of condemnation, eviction, or displacement. This may be paid to the tenants individually or in a lump sum to the government agency issuing the notice. If the amount is not paid within seven days, the local government may advance the relocation costs to the tenants.

Between the time a landlord is given notice of a violation under these provisions to the time the relocation assistance is paid or the conditions leading to the violation are corrected, the landlord should not: (1) evict, harass, or intimidate tenants; (2) reduce tenant services; or (3) materially increase or change tenant obligations.

Displaced tenants are also entitled to recover any actual damages that exceed the relocation assistance payments, as well as court or arbitration costs and reasonable attorneys fees incurred.

A local government that advanced relocation costs will assess a penalty of 50 dollars per day for each tenant that the government has advanced and collect interest, if the landlord has failed to repay such amounts within 60 days from the advance. The local government is entitled to attorney's fees and costs associated with any legal actions necessary to collect unpaid funds.

Tenants of a condemned or uninhabitable dwelling must be notified of their rights to relocation assistance. This notice will be provided by the same government agency that notified the landlord of code violations.

Any funds that displaced tenants receive under these provisions are not considered income for the purposes of determining eligibility to state assistance programs and are not to reduce those payments. These payments are also not subject to any excise tax.

Local ordinances regarding relocation assistance preempt this legislation.

**Votes on Final Passage:**

Senate	48	0	
House	84	12	(House amended)
Senate	46	0	(Senate concurred)

**Effective:** July 24, 2005