

**SENATE BILL REPORT**

**SB 5180**

**AS REPORTED BY COMMITTEE ON LAW & JUSTICE, FEBRUARY 19, 1991**

**Brief Description:** Restricting civil actions to appoint receivers to manage real property.

**SPONSORS:** Senators Nelson, Vognild and Sellar.

**SENATE COMMITTEE ON LAW & JUSTICE**

**Majority Report:** That Substitute Senate Bill No. 5180 be substituted therefor, and the substitute bill do pass.

Signed by Senators Nelson, Chairman; Thorsness, Vice Chairman; Erwin, L. Kreidler, Madsen, and A. Smith.

**Staff:** Dick Armstrong (786-7460)

**Hearing Dates:** February 12, 1991; February 19, 1991

**BACKGROUND:**

Certain municipal housing codes contain ordinances which authorize a city official or tenants in a building to seek to have a receiver appointed in superior court to take possession of and manage a building if it is unfit for human habitation, is a hazard to the health and safety of the occupants or public, or when the owner or manager fails to comply with code provisions.

**SUMMARY:**

Cities and towns may authorize civil actions by private parties who seek appointment of a receiver to manage privately owned, leased, or rented residential and multi-family real property. Parties are first required to exhaust all applicable remedies provided in the Residential Landlord-Tenant Act. A court must find substantial and compelling evidence that uninhabitable conditions exist in the property at issue before appointing a receiver.

**EFFECT OF PROPOSED SUBSTITUTE:**

The requirement to exhaust all remedies of the Landlord-Tenant Act is deleted. A local government cannot appoint a receiver unless three months have elapsed since a building inspector has certified under RCW 59.18.115 that substandard and dangerous conditions exist which substantially endanger or impair the health and safety of the tenants.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

The Landlord-Tenant Act is a balanced, comprehensive statute which provides for rights and remedies for both landlords and tenants. Municipal ordinances which allow for receiverships are counterproductive and unnecessary because the Landlord-Tenant Act and local health codes provide adequate remedies. Also, receiverships have never been used at the local level.

**TESTIMONY AGAINST:**

The bill provides for too many stringent requirements before a receiver can be appointed. All requirements of the Landlord-Tenant Act should not have to be exhausted before a receiver can be appointed.

**TESTIFIED:** Scott Osborne, Washington State Bar Association (con); Elaine Rose, City of Seattle (con); Peggy Ganson, AASP (pro); Rob Rueber, Institute of Real Estate Management