

SSB 6402 - H COMM AMD

By Committee on Financial Institutions & Insurance

ADOPTED 03/04/2004

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 59.18.270 and 1975 1st ex.s. c 233 s 1 are each
4 amended to read as follows:

5 All moneys paid to the landlord by the tenant as a deposit as
6 security for performance of the tenant's obligations in a lease or
7 rental agreement shall promptly be deposited by the landlord in a trust
8 account, maintained by the landlord for the purpose of holding such
9 security deposits for tenants of the landlord, in a (~~bank, savings and~~
10 ~~loan association, mutual savings bank,~~) financial institution as
11 defined by RCW 30.22.041 or licensed escrow agent located in
12 Washington. Unless otherwise agreed in writing, the landlord shall be
13 entitled to receipt of interest paid on such trust account deposits.
14 The landlord shall provide the tenant with a written receipt for the
15 deposit and shall provide written notice of the name and address and
16 location of the depository and any subsequent change thereof. If
17 during a tenancy the status of landlord is transferred to another, any
18 sums in the deposit trust account affected by such transfer shall
19 simultaneously be transferred to an equivalent trust account of the
20 successor landlord, and the successor landlord shall promptly notify
21 the tenant of the transfer and of the name, address, and location of
22 the new depository. The tenant's claim to any moneys paid under this
23 section shall be prior to that of any creditor of the landlord,
24 including a trustee in bankruptcy or receiver, even if such moneys are
25 commingled.

26 **Sec. 2.** RCW 59.20.170 and 1999 c 359 s 15 are each amended to read
27 as follows:

28 (1) All moneys paid to the landlord by the tenant as a deposit as
29 security for performance of the tenant's obligations in a rental

1 agreement shall promptly be deposited by the landlord in a trust
2 account, maintained by the landlord for the purpose of holding such
3 security deposits for tenants of the landlord, in a (~~bank, savings and~~
4 ~~loan association, mutual savings bank,~~) financial institution as
5 defined by RCW 30.22.041 or licensed escrow agent located in
6 Washington. Except as provided in subsection (2) of this section,
7 unless otherwise agreed in writing, the landlord shall be entitled to
8 receipt of interest paid on such trust account deposits. The landlord
9 shall provide the tenant with a written receipt for the deposit and
10 shall provide written notice of the name and address and location of
11 the depository and any subsequent change thereof. If during a tenancy
12 the status of landlord is transferred to another, any sums in the
13 deposit trust account affected by such transfer shall simultaneously be
14 transferred to an equivalent trust account of the successor landlord,
15 and the successor landlord shall promptly notify the tenant of the
16 transfer and of the name, address and location of the new depository.
17 The tenant's claim to any moneys paid under this section shall be prior
18 to that of any creditor of the landlord, including a trustee in
19 bankruptcy or receiver, even if such moneys are commingled.

20 (2) All moneys paid, in excess of two months' rent on the mobile
21 home lot, to the landlord by the tenant as a deposit as security for
22 performance of the tenant's obligations in a rental agreement shall be
23 deposited into an interest-bearing trust account for the particular
24 tenant. The interest accruing on the deposit in the account, minus
25 fees charged to administer the account, shall be paid to the tenant on
26 an annual basis. All other provisions of subsection (1) of this
27 section shall apply to deposits under this subsection."

28 Correct the title.

EFFECT: Reinstates current law authority for deposit with a
licensed escrow agent.

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