

# FINAL BILL REPORT

## SHB 1663

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Synopsis as Enacted

**Brief Description:** Creating relocation assistance rights for nontransient residents of hotels, motels, or other places of transient lodging that are shut down by government action.

**Sponsors:** House Committee on Judiciary (originally sponsored by Representatives Goodman, Springer, Simpson, Roberts, Miloscia, Nelson, Ormsby and Santos).

**House Committee on Judiciary**  
**Senate Committee on Financial Institutions, Housing & Insurance**

### **Background:**

If a governmental agency notifies a landlord that a dwelling is condemned or unlawful to occupy due to the existence of conditions that violate applicable codes or regulations, the landlord may not enter into any rental agreement for the dwelling until the conditions are corrected. If the landlord enters into a rental agreement with a new tenant prior to correcting the conditions, the tenant is entitled to three months rent or up to treble the actual damages sustained. The tenant is also entitled to the costs of suit or arbitration and reasonable attorneys' fees. If the tenant elects to terminate the tenancy or is required by an appropriate governmental agency to vacate the premises, the tenant may recover the entire amount of any deposit paid to the landlord and all prepaid rent.

A landlord who knew or should have known that a dwelling would be condemned or be unlawful to occupy is required to pay relocation assistance to displaced tenants. Relocation assistance consists of the following:

- the greater of \$2,000 per dwelling unit or three times the monthly rent; and
- the entire amount of any deposit prepaid by the tenant and all prepaid rent.

Landlords must pay relocation assistance and any prepaid deposit or rent to displaced tenants within seven days of the governmental agency sending notice of the condemnation, eviction, or displacement order. The landlord may pay relocation assistance to the displaced tenants individually or to the governmental agency ordering the condemnation or eviction. A local government may advance the cost of relocation assistance payments and assess interest and penalties if a landlord fails to pay displaced tenants in a timely manner. The governmental agency that notifies a landlord of condemnation must notify the displaced tenants that they may be entitled to relocation assistance.

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*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.*

Relocation assistance is not required to be paid by the landlord if the condemnation or no occupancy order results from conditions:

- caused by illegal conduct by a tenant or any third party without the landlord's prior knowledge;
- arising from a natural disaster; or
- created by the acquisition of the property by eminent domain.

**Summary:**

A person who has lived in a hotel, motel, or other place of transient lodging for 30 or more consecutive days is deemed to be a tenant for the purpose of relocation assistance even though the living arrangements are exempt from the Residential Landlord-Tenant Act. The tenant living in a place of transient lodging must be there with the knowledge and consent of the owner, manager, clerk, or other agent representing the owner. Landlords providing transient lodging must pay relocation assistance directly to displaced tenants.

An interruption in occupancy primarily intended to avoid relocation assistance does not affect the eligibility of the person residing in a place of transient lodging to receive relocation assistance. An oral or written occupancy agreement that waives the right of a transient tenant to receive relocation assistance is against public policy and unenforceable.

**Votes on Final Passage:**

House	72	24
Senate	29	18

**Effective:** July 26, 2009