CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5538

Chapter 264, Laws of 2015

64th Legislature 2015 Regular Session

RESIDENTIAL LANDLORD--TENANT ACT--DECEASED TENANTS

EFFECTIVE DATE: 7/24/2015

Passed by the Senate April 16, 2015 Yeas 48 Nays 0

BRAD OWEN

President of the Senate

Passed by the House April 13, 2015 Yeas 97 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Approved May 14, 2015 11:43 AM

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5538** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

May 14, 2015

JAY INSLEE

Governor of the State of Washington

Secretary of State State of Washington

SUBSTITUTE SENATE BILL 5538

AS AMENDED BY THE HOUSE

Passed Legislature - 2015 Regular Session

State of Washington 64th Legislature 2015 Regular Session

By Senate Financial Institutions & Insurance (originally sponsored by Senators Angel and Sheldon)

READ FIRST TIME 02/20/15.

1 AN ACT Relating to deceased tenants; amending RCW 59.18.310; 2 reenacting and amending RCW 59.18.030; and adding new sections to 3 chapter 59.18 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 Sec. 1. RCW 59.18.030 and 2012 c 41 s 2 are each reenacted and 6 amended to read as follows:

7 As used in this chapter:

"Certificate of inspection" means an unsworn statement, 8 (1) 9 declaration, verification, or certificate made in accordance with the 10 requirements of RCW 9A.72.085 by a qualified inspector that states 11 that the landlord has not failed to fulfill any substantial obligation imposed under RCW 59.18.060 that endangers or impairs the 12 13 health or safety of a tenant, including (a) structural members that 14 are of insufficient size or strength to carry imposed loads with safety, (b) exposure of the occupants to the weather, (c) plumbing 15 16 and sanitation defects that directly expose the occupants to the risk 17 of illness or injury, (d) not providing facilities adequate to supply heat and water and hot water as reasonably required by the tenant, 18 19 (e) providing heating or ventilation systems that are not functional or are hazardous, (f) defective, hazardous, or missing electrical 20 21 wiring or electrical service, (g) defective or hazardous exits that

increase the risk of injury to occupants, and (h) conditions that
 increase the risk of fire.

3 (2) "Distressed home" has the same meaning as in RCW 61.34.020.

4 (3) "Distressed home conveyance" has the same meaning as in RCW 5 61.34.020.

6 (4) "Distressed home purchaser" has the same meaning as in RCW 7 61.34.020.

8 (5) "Dwelling unit" is a structure or that part of a structure 9 which is used as a home, residence, or sleeping place by one person 10 or by two or more persons maintaining a common household, including 11 but not limited to single-family residences and units of multiplexes, 12 apartment buildings, and mobile homes.

13 (6) "Gang" means a group that: (a) Consists of three or more 14 persons; (b) has identifiable leadership or an identifiable name, 15 sign, or symbol; and (c) on an ongoing basis, regularly conspires and 16 acts in concert mainly for criminal purposes.

17 (7) "Gang-related activity" means any activity that occurs within18 the gang or advances a gang purpose.

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(8) "In danger of foreclosure" means any of the following:

20 (a) The homeowner has defaulted on the mortgage and, under the 21 terms of the mortgage, the mortgagee has the right to accelerate full 22 payment of the mortgage and repossess, sell, or cause to be sold the 23 property;

(b) The homeowner is at least thirty days delinquent on any loanthat is secured by the property; or

(c) The homeowner has a good faith belief that he or she is
likely to default on the mortgage within the upcoming four months due
to a lack of funds, and the homeowner has reported this belief to:

29 (i) The mortgagee;

30 (ii) A person licensed or required to be licensed under chapter 31 19.134 RCW;

32 (iii) A person licensed or required to be licensed under chapter33 19.146 RCW;

34 (iv) A person licensed or required to be licensed under chapter 35 18.85 RCW;

36 (v) An attorney-at-law;

37 (vi) A mortgage counselor or other credit counselor licensed or 38 certified by any federal, state, or local agency; or

39 (vii) Any other party to a distressed property conveyance.

1 (9) "Landlord" means the owner, lessor, or sublessor of the 2 dwelling unit or the property of which it is a part, and in addition 3 means any person designated as representative of the owner, lessor, 4 or sublessor including, but not limited to, an agent, a resident 5 manager, or a designated property manager.

6 (10) "Mortgage" is used in the general sense and includes all 7 instruments, including deeds of trust, that are used to secure an 8 obligation by an interest in real property.

9 (11) "Owner" means one or more persons, jointly or severally, in 10 whom is vested:

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(a) All or any part of the legal title to property; or

12 (b) All or part of the beneficial ownership, and a right to 13 present use and enjoyment of the property.

14 (12) "Person" means an individual, group of individuals, 15 corporation, government, or governmental agency, business trust, 16 estate, trust, partnership, or association, two or more persons 17 having a joint or common interest, or any other legal or commercial 18 entity.

19 (13) "Premises" means a dwelling unit, appurtenances thereto, 20 grounds, and facilities held out for the use of tenants generally and 21 any other area or facility which is held out for use by the tenant.

(14) "Property" or "rental property" means all dwelling units on
 a contiguous quantity of land managed by the same landlord as a
 single, rental complex.

(15) "Prospective landlord" means a landlord or a person who advertises, solicits, offers, or otherwise holds a dwelling unit out as available for rent.

(16) "Prospective tenant" means a tenant or a person who hasapplied for residential housing that is governed under this chapter.

(17) "Qualified inspector" means a United States department of 30 31 housing and urban development certified inspector; a Washington state 32 licensed home inspector; an American society of home inspectors certified inspector; a private inspector certified by the national 33 association of housing and redevelopment officials, the American 34 association of code enforcement, or other comparable professional 35 association as approved by the local municipality; a municipal code 36 enforcement officer; a Washington licensed structural engineer; or a 37 Washington licensed architect. 38

(18) "Reasonable attorneys' fees," where authorized in thischapter, means an amount to be determined including the following

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1 factors: The time and labor required, the novelty and difficulty of 2 the questions involved, the skill requisite to perform the legal 3 service properly, the fee customarily charged in the locality for 4 similar legal services, the amount involved and the results obtained, 5 and the experience, reputation and ability of the lawyer or lawyers 6 performing the services.

7 (19) "Rental agreement" means all agreements which establish or
8 modify the terms, conditions, rules, regulations, or any other
9 provisions concerning the use and occupancy of a dwelling unit.

10 (20) A "single-family residence" is a structure maintained and 11 used as a single dwelling unit. Notwithstanding that a dwelling unit 12 shares one or more walls with another dwelling unit, it shall be 13 deemed a single-family residence if it has direct access to a street 14 and shares neither heating facilities nor hot water equipment, nor 15 any other essential facility or service, with any other dwelling 16 unit.

17 (21) A "tenant" is any person who is entitled to occupy a 18 dwelling unit primarily for living or dwelling purposes under a 19 rental agreement.

20 (22) "Tenant screening" means using a consumer report or other 21 information about a prospective tenant in deciding whether to make or 22 accept an offer for residential rental property to or from a 23 prospective tenant.

(23) "Tenant screening report" means a consumer report as defined
 in RCW 19.182.010 and any other information collected by a tenant
 screening service.

27 (24) "Commercially reasonable manner," with respect to a sale of 28 a deceased tenant's personal property, means a sale where every 29 aspect of the sale, including the method, manner, time, place, and 30 other terms, must be commercially reasonable. If commercially 31 reasonable, a landlord may sell the tenant's property by public or 32 private proceedings, by one or more contracts, as a unit or in 33 parcels, and at any time and place and on any terms.

34 (25) "Designated person" means a person designated by the tenant 35 under section 2 of this act.

36 (26) "Reasonable manner," with respect to disposing of a deceased 37 tenant's personal property, means to dispose of the property by 38 donation to a not-for-profit charitable organization, by removal of 39 the property by a trash hauler or recycler, or by any other method 40 that is reasonable under the circumstances. 1

(27) "Tenant representative" means:

2 (a) A personal representative of a deceased tenant's estate if
3 known to the landlord;

4 (b) If the landlord has no knowledge that a personal 5 representative has been appointed for the deceased tenant's estate, a 6 person claiming to be a successor of the deceased tenant who has 7 provided the landlord with proof of death and an affidavit made by 8 the person that meets the requirements of RCW 11.62.010(2);

9 <u>(c) In the absence of a personal representative under (a) of this</u> 10 <u>subsection or a person claiming to be a successor under (b) of this</u> 11 <u>subsection, a designated person; or</u>

12 (d) In the absence of a personal representative under (a) of this 13 subsection, a person claiming to be a successor under (b) of this 14 subsection, or a designated person under (c) of this subsection, any 15 person who provides the landlord with reasonable evidence that he or 16 she is a successor of the deceased tenant as defined in RCW 17 11.62.005. The landlord has no obligation to identify all of the 18 deceased tenant's successors.

19 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 59.18 20 RCW to read as follows:

(1)(a) At a landlord's request, the tenant may designate a person to act for the tenant on the tenant's death when the tenant is the sole occupant of the dwelling unit.

(b) Any designation must be in writing, be separate from therental agreement, and include:

(i) The designated person's name, mailing address, any address used for the receipt of electronic communications, and telephone number;

(ii) A signed statement authorizing the landlord in the event of the tenant's death when the tenant is the sole occupant of the dwelling unit to allow the designated person to: Access the tenant's dwelling unit, remove the tenant's property, receive refunds of amounts due to the tenant, and dispose of the tenant's property consistent with the tenant's last will and testament and any applicable intestate succession law; and

36 (iii) A conspicuous statement that the designation remains in 37 effect until it is revoked in writing by the tenant or replaced with 38 a new designation.

1 (2) A tenant may, without request from the landlord, designate a 2 person to act for the tenant on the tenant's death when the tenant is 3 the sole occupant of the dwelling unit by providing the landlord with 4 the information and signing a statement as provided in subsection (1) 5 of this section.

6 (3) The tenant may change the designated person or revoke any 7 previous designation in writing at any time prior to his or her 8 death.

9 (4) Once the landlord or the designated person knows of the 10 appointment of a personal representative for the deceased tenant's 11 estate or of a person claiming to be a successor of the deceased 12 tenant who has provided the landlord with proof of death and an 13 affidavit made by the person that meets the requirements of RCW 14 11.62.010(2), the designated person's authority to act under this 15 section terminates.

16 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 59.18
17 RCW to read as follows:

18 (1) In the event of the death of a tenant who is the sole 19 occupant of the dwelling unit:

20 (a) The landlord, upon learning of the death of the tenant, shall promptly mail or personally deliver written notice to any known 21 personal representative, known designated person, emergency contact 22 23 identified by the tenant on the rental application, known person 24 reasonably believed to be a successor of the tenant as defined in RCW 25 11.62.005, and to the deceased tenant at the address of the dwelling unit. If the landlord knows of any address used for the receipt of 26 27 electronic communications, the landlord shall email the notice to that address as well. The notice must include: 28

29 (i) The name of the deceased tenant and address of the dwelling 30 unit;

31 32 (ii) The approximate date of the deceased tenant's death;

(iii) The rental amount and date through which rent is paid;

(iv) A statement that the tenancy will terminate fifteen days from the date the notice is mailed or personally delivered or the date through which rent is paid, whichever comes later, unless during that time period a tenant representative makes arrangements with the landlord to pay rent in advance for no more than sixty days from the date of the tenant's death to allow a tenant representative to arrange for orderly removal of the tenant's property. At the end of

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1 the period for which the rent has been paid pursuant to this
2 subsection, the tenancy ends;

(v) A statement that failure to remove the tenant's property 3 before the tenancy is terminated or ends as provided in (a)(iv) of 4 this subsection will allow the landlord to enter the dwelling unit 5 6 and take possession of any property found on the premises, store it 7 in a reasonably secure place, and charge the actual or reasonable costs, whichever is less, of drayage and storage of the property, and 8 after service of a second notice sell or dispose of the property as 9 provided in subsection (3) of this section; and 10

(vi) A copy of any designation executed by the tenant pursuant to section 2 of this act;

(b) The landlord shall turn over possession of the tenant's property to a tenant representative if a request is made in writing within the specified time period or any subsequent date agreed to by the parties;

17 (c) Within fourteen days after the removal of the property by the 18 tenant representative, the landlord shall refund any unearned rent 19 and shall give a full and specific statement of the basis for 20 retaining any deposit together with the payment of any refund due the 21 deceased tenant under the terms and conditions of the rental 22 agreement to the tenant representative; and

(d) Any tenant representative who removes property from the tenant's dwelling unit or the premises must, at the time of removal, provide to the landlord an inventory of the removed property and signed acknowledgment that he or she has only been given possession and not ownership of the property.

(2) A landlord shall send a second written notice before sellingor disposing of a deceased tenant's property.

(a) If the tenant representative makes arrangements with the 30 31 landlord to pay rent in advance as provided in subsection (1)(a)(iv) of this section, the landlord shall mail a second written notice to 32 any known personal representative, known designated person, emergency 33 contact identified by the tenant on the rental application, known 34 person reasonably believed to be a successor of the tenant as defined 35 36 in RCW 11.62.005, and to the deceased tenant at the dwelling unit. The second notice must include: 37

38 (i) The name, address, and phone number or other contact 39 information for the tenant representative, if known, who made the 40 arrangements to pay rent in advance;

(ii) The amount of rent paid in advance and date through which
 rent was paid; and

3 (iii) A statement that the landlord may sell or dispose of the 4 property on or after the date through which rent is paid or at least 5 forty-five days after the second notice is mailed, whichever comes 6 later, if a tenant representative does not claim and remove the 7 property in accordance with this subsection.

(b) If the landlord places the property in storage pursuant to 8 subsection (1)(a) of this section, the landlord shall mail a second 9 written notice, unless a written notice under (a) of this subsection 10 11 has already been provided, to any known personal representative, 12 known designated person, emergency contact identified by the tenant on the rental application, known person reasonably believed to be a 13 successor of the tenant as defined in RCW 11.62.005, and to the 14 deceased tenant at the dwelling unit. The second notice must state 15 16 that the landlord may sell or dispose of the property on or after a 17 specified date that is at least forty-five days after the second 18 notice is mailed if a tenant representative does not claim and remove the property in accordance with this subsection. 19

(c) The landlord shall turn over possession of the tenant's 20 21 property to a tenant representative if a written request is made within the applicable time periods after the second notice is mailed, 22 provided the tenant representative: (i) Pays the actual or reasonable 23 costs, whichever is less, of drayage and storage of the property, if 24 25 applicable; and (ii) gives the landlord an inventory of the property 26 and signs an acknowledgment that he or she has only been given 27 possession and not ownership of the property.

(d) Within fourteen days after the removal of the property by the tenant representative, the landlord shall refund any unearned rent and shall give a full and specific statement of the basis for retaining any deposit together with the payment of any refund due the deceased tenant under the terms and conditions of the rental agreement to the tenant representative.

(3)(a) If a tenant representative has not contacted the landlord or removed the deceased tenant's property within the applicable time periods under this section, the landlord may sell or dispose of the deceased tenant's property, except for personal papers and personal photographs, as provided in this subsection.

(i) If the landlord reasonably estimates the fair market value ofthe stored property to be more than one thousand dollars, the

1 landlord shall arrange to sell the property in a commercially 2 reasonable manner and may dispose of any property that remains unsold 3 in a reasonable manner.

4 (ii) If the value of the stored property does not meet the
5 threshold provided in (a)(i) of this subsection, the landlord may
6 dispose of the property in a reasonable manner.

7 (iii) The landlord may apply any income derived from the sale of the property pursuant to this section against any costs of sale and 8 moneys due the landlord, including actual or reasonable costs, 9 whichever is less, of drayage and storage of the deceased tenant's 10 11 property. Any excess income derived from the sale of such property 12 under this section must be held by the landlord for a period of one year from the date of sale, and if no claim is made for recovery of 13 14 the excess income before the expiration of that one-year period, the balance must be treated as abandoned property and deposited by the 15 16 landlord with the department of revenue pursuant to chapter 63.29 17 RCW.

(b) Personal papers and personal photographs that are not claimed by a tenant representative within ninety days after a sale or other disposition of the deceased tenant's other property shall be either destroyed or held for the benefit of any successor of the deceased tenant as defined in RCW 11.62.005.

(c) No landlord or employee of a landlord, or his or her family members, may acquire, directly or indirectly, the property sold pursuant to (a)(i) of this subsection or disposed of pursuant to (a)(ii) of this subsection.

(4) Upon learning of the death of the tenant, the landlord may enter the deceased tenant's dwelling unit and immediately dispose of any perishable food, hazardous materials, and garbage found on the premises and turn over animals to a tenant representative or to an animal control officer, humane society, or other individual or organization willing to care for the animals.

(5) Any notices sent by the landlord under this section must
 include a mailing address, any address used for the receipt of
 electronic communications, and a telephone number of the landlord.

36 (6) If a landlord knowingly violates this section, the landlord 37 is liable to the deceased tenant's estate for actual damages. The 38 prevailing party in any action pursuant to this subsection may 39 recover costs and reasonable attorneys' fees.

(7) A landlord who complies with this section is relieved from
 any liability relating to the deceased tenant's property.

3 Sec. 4. RCW 59.18.310 and 2011 c 132 s 16 are each amended to 4 read as follows:

5 (1) If the tenant defaults in the payment of rent and reasonably 6 indicates by words or actions the intention not to resume tenancy, 7 the tenant shall be liable for the following for such abandonment: 8 PROVIDED, That upon learning of such abandonment of the premises the 9 landlord shall make a reasonable effort to mitigate the damages 10 resulting from such abandonment:

11 (((1))) (a) When the tenancy is month-to-month, the tenant shall 12 be liable for the rent for the thirty days following either the date 13 the landlord learns of the abandonment, or the date the next regular 14 rental payment would have become due, whichever first occurs.

15 (((2))) (b) When the tenancy is for a term greater than month-to-16 month, the tenant shall be liable for the lesser of the following:

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 $((\frac{a}{a}))$ (i) The entire rent due for the remainder of the term; or

18 (((b))) (<u>ii</u>) All rent accrued during the period reasonably 19 necessary to rerent the premises at a fair rental, plus the 20 difference between such fair rental and the rent agreed to in the 21 prior agreement, plus actual costs incurred by the landlord in 22 rerenting the premises together with statutory court costs and 23 reasonable attorneys' fees.

24 (2) In the event of such abandonment of tenancy and an 25 accompanying default in the payment of rent by the tenant, the landlord may immediately enter and take possession of any property of 26 27 the tenant found on the premises and may store the same in any reasonably secure place. A landlord shall make reasonable efforts to 28 provide the tenant with a notice containing the name and address of 29 30 the landlord and the place where the property is stored and informing the tenant that a sale or disposition of the property shall take 31 place pursuant to this section, and the date of the sale or disposal, 32 and further informing the tenant of the right under RCW 59.18.230 to 33 have the property returned prior to its sale or disposal. The 34 landlord's efforts at notice under this subsection shall be satisfied 35 by the mailing by first-class mail, postage prepaid, of such notice 36 to the tenant's last known address and to any other address provided 37 in writing by the tenant or actually known to the landlord where the 38 tenant might receive the notice. The landlord shall return the 39

property to the tenant after the tenant has paid the actual or 1 reasonable drayage and storage costs whichever is less if the tenant 2 makes a written request for the return of the property before the 3 landlord has sold or disposed of the property. After forty-five days 4 from the date the notice of such sale or disposal is mailed or 5 б personally delivered to the tenant, the landlord may sell or dispose of such property, including personal papers, family pictures, and 7 keepsakes. The landlord may apply any income derived therefrom 8 against moneys due the landlord, including actual or reasonable costs 9 whichever is less of drayage and storage of the property. If the 10 11 property has a cumulative value of two hundred fifty dollars or less, the landlord may sell or dispose of the property in the manner 12 provided in this section, except for personal papers, 13 family pictures, and keepsakes, after seven days from the date the notice of 14 sale or disposal is mailed or personally delivered to the tenant: 15 16 PROVIDED, That the landlord shall make reasonable efforts, as defined 17 in this section, to notify the tenant. Any excess income derived from the sale of such property under this section shall be held by the 18 landlord for the benefit of the tenant for a period of one year from 19 the date of sale, and if no claim is made or action commenced by the 20 21 tenant for the recovery thereof prior to the expiration of that period of time, the balance shall be the property of the landlord, 22 including any interest paid on the income. 23

24 (3) This section does not apply to the disposition of property of 25 a deceased tenant. Section 3 of this act governs the disposition of 26 property on the death of a tenant when the tenant is the sole 27 occupant of the dwelling unit.

> Passed by the Senate April 16, 2015. Passed by the House April 13, 2015. Approved by the Governor May 14, 2015. Filed in Office of Secretary of State May 14, 2015.