H-1429.2

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**SECOND SUBSTITUTE HOUSE BILL 1389**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Ramel, Macri, Peterson, Duerr, Gregerson, Alvarado, Ormsby, Doglio, Riccelli, Cortes, Mena, Thai, Kloba, Bateman, Street, Taylor, Lekanoff, Simmons, Farivar, Pollet, Stonier, Berry, Reed, Bergquist, Davis, Santos, Senn, Stearns, and Fosse)

AN ACT Relating to residential rent increases under the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act; adding new sections to chapter 59.18 RCW; adding new sections to chapter 59.20 RCW; creating a new section; prescribing penalties; and declaring an emergency.

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

NEW SECTION. **Sec.**  A new section is added to chapter 59.18 RCW to read as follows:

The definitions in this section apply throughout sections 2 through 8 of this act unless the context clearly requires otherwise.

(1) "Department" means the department of commerce.

(2) "Rate of inflation as measured by the consumer price index" means the September 12-month percent change in the consumer price index for all urban consumers (CPI-U), west region, all items, not seasonally adjusted, or a successor index, as published by the bureau of labor statistics of the United States department of labor in September of the current calendar year.

(3) "Rent increase" includes any new recurring and periodic charges added to a rental agreement that were not identified in the initial rental agreement.

NEW SECTION. **Sec.**  A new section is added to chapter 59.18 RCW to read as follows:

(1) Except as authorized by an exemption described in section 3 of this act, a landlord may not increase the rent for a month-to-month tenancy or a tenancy with a term greater than month-to-month:

(a) During the first 12 months after the tenancy begins; and

(b) During any 12-month period, in an amount greater than the rate of inflation as measured by the consumer price index or three percent, whichever is greater, up to a maximum of seven percent above the existing rent. The maximum annual rent increase percentage allowed for each calendar year is calculated and published by the department as required in section 4 of this act.

(2) If a landlord increases the rent above the amount allowed in subsection (1) of this section, the landlord must include facts supporting the exemption claimed under section 3 of this act in the written notice of the rent increase. Notice must comply with section 5 of this act, RCW 59.18.140, and be served in accordance with RCW 59.12.040.

(3) A landlord may not charge a higher rent or include terms of payment or other material conditions in a rental agreement that are more burdensome to a tenant for a month-to-month rental agreement than for a rental agreement where the term is greater than month-to-month, or vice versa.

(4) A landlord may not charge a tenant move-in fees or security deposits that exceed one month's rent.

(5) The attorney general may investigate practices that are violations of this section. The attorney general may issue civil investigative demands for documents, answers to written interrogatories, or testimony to any person that the attorney general has reason to believe has violated this section or has information or knowledge pertaining to a violation of this section. When investigating, the attorney general may consider, in addition to any other relevant information:

(a) The condition of the dwelling unit. For example, outstanding repair issues, maintenance costs other than for cosmetic upgrades, property taxes, or other information pertaining to the care and maintenance of the dwelling unit and premises;

(b) Whether a rent increase, move-in fee, security deposit, term of payment, or other material condition in the lease was used to evade protections afforded to tenants under this chapter or any other source of legal rights. For example, whether the tenant made any complaints regarding repair issues prior to the issuance of the rent increase notice; and

(c) Whether a rent increase will cause the tenant or household to move or involuntarily relocate from the home. For example, the economic and financial position of the tenant's household.

(6) The attorney general may issue a cease and desist letter to any person to restrain and prevent violations of this section. If the recipient of a cease and desist letter does not comply within five calendar days of receipt of the letter, the attorney general may file an action in superior court to enforce this section. If the court finds that the person violated this section and failed to comply with a cease and desist letter, the court shall enjoin the person from engaging in conduct that violates this section and impose a civil penalty of no more than $10,000 in addition to other remedies per violation of the cease and desist letter. In any successful action to enforce a cease and desist letter under this section, the court shall award the attorney general the costs of bringing the action, including reasonable investigative costs and reasonable attorneys' fees, plus damages and restitution for any persons harmed by the violation.

(7) The attorney general may enforce this section in superior court. In any successful action under this section, the court shall impose a civil penalty of no more than $25,000 per violation, and shall award the attorney general the costs of bringing the action, including reasonable investigative costs and reasonable attorneys' fees, plus damages and restitution for any persons harmed by the violation. The remedies under this subsection are in addition to, and are not prerequisites for, any other remedies a court may order under subsection (8) of this section. Additional civil penalties may not be assessed for the same violation under the consumer protection act pursuant to RCW 19.86.140.

(8) A tenant whose landlord engages in practices in violation of this section and pays rent or other charges in excess of amounts permitted by this section has a cause of action against the landlord to recover actual damages in the amount of the excess rent or other charges paid, mandatory punitive damages equal to three months of the unlawful higher rent or charges that the tenant paid, and reasonable attorneys' fees and costs incurred in bringing the action.

(9) The remedies provided by this section are in addition to any other remedies provided by law.

(10) It is a defense to an unlawful detainer action under chapter 59.12 RCW that the action to remove the tenant and recover possession of the premises was for nonpayment of rent that was unlawfully increased in violation of this section.

(11) A landlord may not report the tenant to a tenant screening service provider for failure to pay rent that was unlawfully increased in violation of this section.

(12) Nothing in this section limits the authority of local government to adopt an ordinance consistent with this section to provide administrative or judicial remedies, or both, for residential rent practices prohibited by this section. The local government, or its designee, may investigate practices prohibited by this section and impose civil penalties consistent with this section. Nothing in this section prohibits local governments from assessing and enforcing civil penalties consistent with this section.

NEW SECTION. **Sec.**  A new section is added to chapter 59.18 RCW to read as follows:

A landlord may increase rent in an amount greater than allowed under section 2 of this act only as authorized by the exemptions described in this section.

(1) If the first certificate of occupancy for the dwelling unit was issued 12 or less years before the date of the notice of the rent increase, rent increases for the dwelling unit are not limited by section 2 of this act.

(2) For a tenancy in a dwelling unit owned and operated by a public housing authority, public development authority, or nonprofit organization where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements, rent increases during the tenancy are not limited by section 2 of this act.

(3)(a) During any 12-month period after the first 12 months of a tenancy, a landlord may increase rent for the dwelling unit by up to seven percent, or by four percent plus the maximum annual rent increase percentage allowed for the calendar year, whichever is greater, if:

(i) A landlord has paid for improvements to the dwelling unit or the common areas of the rental property that the tenant has unrestricted access to, for which the costs or the tenant's proportional share of the costs were greater than an amount equal to four months' rent; and

(ii) The improvements were made during the 12 months immediately preceding the month in which the landlord gives the tenant written notice of the rent increase.

(b) For the purposes of this subsection, "improvements to the dwelling unit" do not include basic maintenance.

(4)(a) Beginning April 1, 2024, if a landlord is experiencing significant hardship in complying with the maximum annual rent increase percentage for the current calendar year due to sudden and unexpected dramatic cost increases, the landlord may apply for a significant hardship exemption from section 2 of this act and request that the department approve an alternate maximum annual rent increase percentage consistent with the landlord's sudden and unexpected dramatic cost increases. A landlord as defined in chapter 59.20 RCW may also apply for a significant hardship exemption.

(b) In issuing a significant hardship exemption, the department must consider evidence of the landlord's sudden and unexpected dramatic cost increases. If the department finds that the landlord's sudden and unexpected dramatic cost increases have caused the landlord significant hardship in complying with the maximum annual rent increase percentage allowed by section 2 of this act, the department may approve an alternate maximum annual rent increase percentage consistent with the landlord's sudden and unexpected dramatic cost increases.

(c) The department must issue a letter to the landlord describing its findings and the reasons for its decision to grant or deny the landlord's application for a significant hardship exemption. If the request is granted, the letter must clearly state the alternate maximum annual rent increase percentage allowed.

(d) The landlord must attach the letter issued by the department to the rent increase notice required by section 2 of this act.

(e) The department shall adopt rules in accordance with chapter 34.05 RCW to establish a process to review landlord requests for significant hardship exemptions.

(f) The department may charge a fee for filing an application for a significant hardship exemption.

(5)(a) Beginning April 1, 2024, if a landlord participates in the banked capacity program administered by the department as authorized in this subsection, the landlord may increase the rent above the maximum annual rent increase percentage by an additional three percent for each year that the landlord has banked capacity, up to a 10 percent annual rent increase. If a landlord uses banked capacity to increase the rent by 10 percent in one year and still has remaining banked capacity, the landlord may retain any remaining banked capacity for potential use in future years. A landlord as defined in chapter 59.20 RCW may also participate in the banked capacity program.

(b) The banked capacity program operates as follows:

(i) If a landlord does not increase rent in a 12-month period, the landlord may choose to bank the rent increase capacity for future years. For each preceding year since the last increase in rent, the landlord may increase rent by an additional three percent. A landlord who participates in the banked capacity program must provide an annual notice in substantially the same form as provided in section 5 of this act to current and prospective tenants of the total banked capacity and possible future rent increases. Notice must be served in accordance with RCW 59.12.040. A landlord forfeits their right to claim banked rent increase capacity if they fail to properly deliver this form to a tenant;

(ii) If a tenant is evicted or if a tenant leaves after an eviction has been initiated, for any new rental agreement entered into within 12 months of the termination of the prior tenancy, the amount of rent that a landlord may charge a new tenant is limited to the previous tenant's rent plus any banked capacity that was accrued under the prior tenancy, unless another exemption under this section applies;

(iii) If a tenant voluntarily moves out, the amount of rent that a landlord may charge a new tenant is not limited by the maximum annual rent increase percentage or any banked capacity, and the landlord may reset the rent to market rate. However, if the landlord increases the rent for the new tenant beyond the previous tenant's rent, any banked capacity is lost. If a landlord chooses not to increase the rent and charges a new tenant rent in an amount that is the same or less than the amount of rent that the landlord charged the previous tenant, the landlord may retain any banked capacity that was accrued under the prior tenancy; and

(iv) If a new owner buys a property and takes over a lease, the new owner may not increase rent for existing tenants beyond the amount that the previous landlord would have been allowed to increase rent, unless another exemption under this section applies. The former landlord's banked capacity may be transferred as part of a property sale.

(c) The department shall adopt rules in accordance with chapter 34.05 RCW to implement the banked capacity program and establish a process to document when a landlord decides not to increase rent in a 12-month period and bank that capacity for future years. In order to participate in the banked capacity program, a landlord must comply with the process established by the department.

(d) The department must make information about the banked capacity program available on its website, including a method for a tenant to verify their landlord's participation in the program and the amount of total banked capacity for their dwelling unit or mobile home lot.

(6) Beginning April 1, 2024, if a landlord's rental property is located in an area that the department has identified through adoption of rules in accordance with chapter 34.05 RCW as a geographic area where a declared emergency, such as an emergency proclamation of the governor under RCW 43.06.220, or other similar circumstances contribute to significant increases in costs for landlords beyond the rate of inflation as measured by the consumer price index, the landlord may increase the annual rent by five percent or two percent above the maximum annual rent increase percentage, up to a nine percent annual rent increase. The department must consider impacts to tenants from the emergency or other similar circumstances before adopting rules under this subsection. A landlord as defined in chapter 59.20 RCW may also use a geographic area exemption.

(7) Neither the state, the department, or persons acting on behalf of the department, while acting within the scope of their employment or agency, is liable to any person for any loss, damage, harm, or other consequence resulting directly or indirectly from the department's administration of the banked capacity program, significant hardship exemption, geographic area exemption, or other exemptions and determinations required under this section.

NEW SECTION. **Sec.**  A new section is added to chapter 59.18 RCW to read as follows:

(1) On September 30, 2023, and on each following September 30th, the department shall calculate the maximum annual rent increase percentage allowed by sections 2 and 6 of this act for the following calendar year. The maximum annual rent increase percentage allowed for the following calendar year is the rate of inflation as measured by the consumer price index or three percent, whichever is greater, up to a maximum of seven percent. For the purposes of this section, "rate of inflation as measured by the consumer price index" means the September 12-month percent change in the consumer price index for all urban consumers (CPI-U), west region, all items, not seasonally adjusted, or a successor index, as published by the bureau of labor statistics of the United States department of labor in September of the current calendar year.

(2) On September 30, 2023, and on each following September 30th, the department shall publish the maximum annual rent increase percentage calculated under subsection (1) of this section, along with the relevant maximum rent increase provisions in sections 2 and 6 of this act, in a press release.

(3) The department shall maintain publicly available information on its website about the maximum annual rent increase percentage for the previous calendar year and for the current calendar year, and on or after September 30th of each year, for the following calendar year.

NEW SECTION. **Sec.**  A new section is added to chapter 59.18 RCW to read as follows:

(1) A landlord must provide annual notice to current and prospective tenants of rent increases, possible future rent increases, and banked capacity in substantially the following form:

"TO TENANTS: (tenant name(s))

AT ADDRESS: (tenant address)

**NOTICE REGARDING POSSIBLE FUTURE RENT INCREASES**

This notice is required by Washington State law to inform you of your rights regarding rent increases. Washington state limits how much your landlord can raise your rent each year.

(1) Your landlord can raise your rent one time each year, as allowed by section 2 of this act. The Washington State Department of Commerce will post the maximum increase allowed each year, as required by section 4 of this act.

(2) Your landlord may be exempt from the rent increase cap for reasons described in section 3 of this act. If your landlord claims an exemption from the rent increase cap, your landlord is required to include facts supporting the exemption claimed in the written notice of the rent increase.

Your landlord may also apply for a significant hardship exemption from the rent increase cap. If your landlord's significant hardship exemption request is granted by the Washington State Department of Commerce, then the landlord is required to attach the letter from the Washington State Department of Commerce to this notice.

Your landlord may also be allowed to raise your rent higher than the rent increase cap if your dwelling unit or mobile home lot is located in an area that the Washington State Department of Commerce has identified through rule as a geographic area where a declared emergency or other circumstances contribute to significant increases in costs for landlords beyond the rate of inflation.

(3) Your landlord is not required to raise the rent. Your landlord is not required to raise the rent by the maximum amount allowed. When a landlord decides not to increase your rent, the landlord can bank some of the increase for a future year by participating in the banked capacity program administered by the Washington State Department of Commerce. This means that your landlord may be able to raise your rent in a future year by more than the annual cap. The landlord may be able to raise your rent beyond the annual cap by an additional three percent for each year of banked capacity, up to a 10 percent annual rent increase.

If your landlord chooses to bank capacity, your landlord is required to inform you in writing, delivered to you personally, by properly and fully completing the below form. Your landlord forfeits your landlord's right to claim banked rent increase capacity if your landlord fails to properly deliver this form to you.

Your landlord must properly and fully complete the form below to notify you of a rent increase, whether your landlord is banking some of the unused rent increase for future years, the total banked capacity for your dwelling unit or mobile home lot, and whether your landlord is claiming an exemption.

**ATTENTION**: (tenant names) at (tenant address)

**RENT INCREASE NOTICE TO TENANTS**

Your landlord (name) intends to (check one of the following):

\_\_ Not raise your rent.

\_\_ Not raise your rent but bank this unused rent increase for a future year. Your landlord did not raise your rent in (list year or years), for a total of (number of) year(s). The total banked capacity for your dwelling unit or mobile home lot is (percent). Information about the banked capacity program is available on the Washington State Department of Commerce's website, including a method to verify your landlord's participation in the program and the amount of total banked capacity for your dwelling unit or mobile home lot.

\_\_ Raise your rent:

Your rent increase effective (date) will be (percent), which totals an additional $(dollar amount) per month, for a new total rent of $(dollar amount) per month.

This rent increase is allowed by state law and is (check one of the following):

\_\_ A lower rent increase than otherwise allowed by state law.

\_\_ The maximum increase allowed by state law.

\_\_ If the rent increase is using banked capacity to exceed the maximum otherwise set by state law, the "BANKED CAPACITY RENT INCREASE NOTICE TO TENANTS" form below must be fully and properly filled out.

\_\_ If the rent increase is using a significant hardship exemption to exceed the maximum otherwise set by state law, the "LANDLORD SIGNIFICANT HARDSHIP EXEMPTION RENT INCREASE NOTICE TO TENANTS" form below must be fully and properly filled out.

\_\_ If the rent increase is using a geographic area exemption due to emergency or other similar circumstances to exceed the maximum otherwise set by state law, the "GEOGRAPHIC AREA EXEMPTION RENT INCREASE NOTICE TO TENANTS" form below must be fully and properly filled out.

\_\_ If the rent increase is using any other exemption authorized by state law to exceed the maximum otherwise set by state law, the "LANDLORD EXEMPTION RENT INCREASE NOTICE TO TENANTS" form below must be fully and properly filled out.

**ATTENTION**: (tenant names) at (tenant address)

**BANKED CAPACITY RENT INCREASE NOTICE TO TENANTS**

Under penalty of perjury, I (landlord name) certify that I am allowed under Washington State law to raise your rent by (percent), which is more than the maximum increase allowed by state law, because I did not raise your rent, or the rent under a previous tenancy for which the banked capacity has carried over to your tenancy, in (list year or years) and I participated in the banked capacity program administered by the Washington State Department of Commerce.

Information about the banked capacity program is available on the Washington State Department of Commerce's website, including a method to verify my participation in the program and the amount of total banked capacity for your dwelling unit or mobile home lot.

Your rent increase effective (date) will be (percent) which totals an additional $(dollar amount) per month, for a new total rent of $(dollar amount) per month.

**ATTENTION**: (tenant names) at (tenant address)

**LANDLORD SIGNIFICANT HARDSHIP EXEMPTION RENT INCREASE NOTICE TO TENANTS**

Under penalty of perjury, I (landlord name) certify that I am allowed under Washington State law to raise your rent by (percent), which is more than the maximum increase allowed by state law, because I was granted an individual significant hardship exemption by the Washington State Department of Commerce. The letter from the Washington State Department of Commerce granting this exemption is attached to this notice. (attach letter)

Your rent increase effective (date) will be (percent), which totals an additional $(dollar amount) per month, for a new total rent of $(dollar amount) per month.

**ATTENTION**: (tenant names) at (tenant address)

**LANDLORD GEOGRAPHIC AREA EXEMPTION RENT INCREASE NOTICE TO TENANTS**

Under penalty of perjury, I (landlord name) certify that I am allowed under Washington State law to raise your rent by (percent), which is more than the maximum increase allowed by state law, because a geographic area exemption applies to your dwelling unit or mobile home lot, as determined by the Washington State Department of Commerce through rule consistent with section 3 of this act and (list the appropriate section of the Washington Administrative Code or Washington State Register Number).

Your rent increase effective (date) will be (percent), which totals an additional $(dollar amount) per month, for a new total rent of $(dollar amount) per month.

**ATTENTION**: (tenant names) at (tenant address)

**LANDLORD EXEMPTION RENT INCREASE NOTICE TO TENANTS**

Under penalty of perjury, I (landlord name) certify that I am allowed under Washington State law to raise your rent by (percent), which is more than the maximum increase allowed by state law, because I am claiming the following exemption (check one of the following):

\_\_ The first certificate of occupancy for the dwelling unit was issued 12 or less years before the date of this rent increase notice, (insert date), so the rent cap does not apply. This exemption does not apply to manufactured/mobile homes. (Include facts or attach documents supporting the exemption.)

\_\_ Your tenancy is in a dwelling unit or on a mobile home lot owned and operated by a public housing authority, public development authority, or nonprofit organization where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements. (Include facts or attach documents supporting the exemption.)

\_\_ The landlord has paid for improvements to your dwelling unit, mobile home lot, or common areas, for which the costs—or your proportional share of the costs—were greater than an amount equal to four months' rent, and the improvements were made during the 12 months immediately preceding this notice. In this case, the landlord may increase rent by up to seven percent, or four percent plus the maximum annual rent increase percentage allowed for the calendar year, whichever is greater. (Include facts or attach documents supporting the exemption.)

Your rent increase effective (date) will be (percent), which totals an additional $(dollar amount) per month, for a new total rent of $(dollar amount) per month."

(2) Notice under this section must comply with the requirements in RCW 59.18.140 and be served in accordance with RCW 59.12.040.

NEW SECTION. **Sec.**  A new section is added to chapter 59.20 RCW to read as follows:

(1) Except as authorized by an exemption described in section 7 of this act and as provided in RCW 59.20.060(2)(c), a landlord may not increase the rent for a month-to-month tenancy or a tenancy with a term greater than month-to-month:

(a) During the first 12 months after the tenancy begins; and

(b) During any 12-month period, in an amount greater than the rate of inflation as measured by the consumer price index or three percent, whichever is greater, up to a maximum of seven percent above the existing rent. The maximum annual rent increase percentage allowed for each calendar year is calculated and published by the department as required in section 4 of this act.

(2) If a landlord increases the rent above the amount allowed in subsection (1) of this section, the landlord must include facts supporting the exemption claimed under section 3 of this act in the written notice of the rent increase. Notice must comply with section 5 of this act, RCW 59.20.090(2), and be served in accordance with RCW 59.12.040.

(3) A landlord may not charge a higher rent or include terms of payment or other material conditions in a rental agreement that are more burdensome to a tenant for a month-to-month rental agreement than for a rental agreement where the term is greater than month-to-month, or vice versa.

(4) A landlord may not charge a tenant move-in fees or security deposits that exceed one month's rent.

(5) The attorney general may investigate practices that are violations of this section. The attorney general may issue civil investigative demands for documents, answers to written interrogatories, or testimony to any person that the attorney general has reason to believe has violated this section or has information or knowledge pertaining to a violation of this section. When investigating, the attorney general may consider, in addition to any other relevant information:

(a) The condition of the mobile home lot. For example, outstanding repair issues, maintenance costs other than for cosmetic upgrades, property taxes, or other information pertaining to the care and maintenance of the mobile home lot and premises;

(b) Whether a rent increase, move-in fee, security deposit, term of payment, or other material condition in the lease was used to evade protections afforded to tenants under this chapter or any other source of legal rights. For example, whether the tenant made any complaints regarding repair issues prior to the issuance of the rent increase notice; and

(c) Whether a rent increase will cause the tenant or household to move or involuntarily relocate from the mobile home lot. For example, the economic and financial position of the tenant's household.

(6) The attorney general may issue a cease and desist letter to any person to restrain and prevent violations of this section. If the recipient of a cease and desist letter does not comply within five calendar days of receipt of the letter, the attorney general may file an action in superior court to enforce this section. If the court finds that the person violated this section and failed to comply with a cease and desist letter, the court shall enjoin the person from engaging in conduct that violates this section and impose a civil penalty of no more than $10,000 in addition to other remedies per violation of the cease and desist letter. In any successful action to enforce a cease and desist letter under this section, the court shall award the attorney general the costs of bringing the action, including reasonable investigative costs and reasonable attorneys' fees, plus damages and restitution for any persons harmed by the violation.

(7) The attorney general may enforce this section in superior court. In any successful action under this section, the court shall impose a civil penalty of no more than $25,000 per violation, and shall award the attorney general the costs of bringing the action, including reasonable investigative costs and reasonable attorneys' fees, plus damages and restitution for any persons harmed by the violation. The remedies under this subsection are in addition to, and are not prerequisites for, any other remedies a court may order under subsection (8) of this section. Additional civil penalties may not be assessed for the same violation under the consumer protection act pursuant to RCW 19.86.140.

(8) A tenant whose landlord engages in practices in violation of this section and pays rent or other charges in excess of amounts permitted by this section has a cause of action against the landlord to recover actual damages in the amount of the excess rent or other charges paid, mandatory punitive damages equal to three months of the unlawful higher rent or charges that the tenant paid, and reasonable attorneys' fees and costs incurred in bringing the action.

(9) The remedies provided by this section are in addition to any other remedies provided by law.

(10) It is a defense to an unlawful detainer action under chapter 59.12 RCW that the action to remove the tenant and recover possession of the premises was for nonpayment of rent that was unlawfully increased in violation of this section.

(11) A landlord may not report the tenant to a tenant screening service provider for failure to pay rent that was unlawfully increased in violation of this section.

(12) Nothing in this section limits the authority of local government to adopt an ordinance consistent with this section to provide administrative or judicial remedies, or both, for residential rent practices prohibited by this section. The local government, or its designee, may investigate practices prohibited by this section and impose civil penalties consistent with this section. Nothing in this section prohibits local governments from assessing and enforcing civil penalties consistent with this section.

NEW SECTION. **Sec.**  A new section is added to chapter 59.20 RCW to read as follows:

(1) A landlord may increase rent in an amount greater than allowed under section 6 of this act only as authorized by the exemptions described in this section or as provided in RCW 59.20.060(2)(c).

(a) For a tenancy on a mobile home lot owned and operated by a public housing authority, public development authority, or nonprofit organization where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements, rent increases during the tenancy are not limited by section 6 of this act.

(b)(i) During any 12-month period after the first 12 months of a tenancy, a landlord may increase rent for the mobile home lot by up to seven percent, or by four percent plus the maximum annual rent increase percentage allowed for the calendar year, whichever is greater, if:

(A) A landlord has paid for improvements to the mobile home lot or the common areas of the mobile home park that the tenant has unrestricted access to, for which the costs or the tenant's proportional share of the costs were greater than an amount equal to four months' rent; and

(B) The improvements were made during the 12 months immediately preceding the month in which the landlord gives the tenant written notice of the rent increase.

(ii) For the purposes of this subsection, "improvements to the dwelling unit" do not include basic maintenance.

(c) Beginning April 1, 2024, if a landlord is experiencing significant hardship in complying with the maximum annual rent increase percentage for the current calendar year due to sudden and unexpected dramatic cost increases, the landlord may request that the department issue a significant hardship exemption as described in section 3 of this act.

(d) Beginning April 1, 2024, if a landlord participates in the banked capacity program administered by the department as described in section 3 of this act, the landlord may increase the rent above the maximum annual rent increase percentage by an additional three percent for each year that the landlord has banked capacity, up to a 10 percent annual rent increase.

(e) Beginning April 1, 2024, if a landlord's rental property is located in an area that the department has identified through rule under section 3 of this act as a geographic area where a declared emergency or other circumstances contribute to significant increases in costs for landlords beyond the rate of inflation as measured by the consumer price index, the landlord may increase the annual rent by five percent or two percent above the maximum annual rent increase percentage, up to a nine percent annual rent increase.

(2) For the purposes of this section, the definitions in section 1 of this act apply.

NEW SECTION. **Sec.**  A new section is added to chapter 59.20 RCW to read as follows:

(1) A landlord must provide annual notice to current and prospective tenants of rent increases, possible future rent increases, and banked capacity in substantially the same form as provided in section 5(1) of this act.

(2) Notice under this section must comply with the requirements in RCW 59.20.090(2) and be served in accordance with RCW 59.12.040.

(3) For the purposes of this section, the definitions in section 1 of this act apply.

NEW SECTION. **Sec.**  A new section is added to chapter 59.18 RCW to read as follows:

(1) The legislature finds that the practices covered by sections 2, 3, and 5 of this act are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(2) A violation of section 2, 3, or 5 of this act by a landlord is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(3) Any violation of section 2, 3, or 5 of this act by a landlord is also a violation of RCW 19.86.020 of the consumer protection act.

NEW SECTION. **Sec.**  A new section is added to chapter 59.20 RCW to read as follows:

(1) The legislature finds that the practices covered by sections 6, 7, and 8 of this act are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(2) A violation of section 6, 7, or 8 of this act by a landlord is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(3) Any violation of section 6, 7, or 8 of this act by a landlord is also a violation of RCW 19.86.020 of the consumer protection act.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

NEW SECTION. **Sec.**  If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2023, in the omnibus appropriations act, this act is null and void.

**--- END ---**