

FINAL BILL REPORT

SHB 1070

C 22 L 23

Synopsis as Enacted

Brief Description: Exempting the sale and leaseback of property by a seller from the residential landlord-tenant act when the seller agrees to a written lease at closing.

Sponsors: House Committee on Housing (originally sponsored by Representatives Connors, Reeves, Hutchins, Schmidt, Peterson, Christian, Rude, Klicker, Barkis and Walsh).

House Committee on Housing
Senate Committee on Housing

Background:

The Residential Landlord-Tenant Act (RLTA) regulates the relationship between landlords and tenants and includes provisions regarding the duties of tenants and landlords, remedies for violations of those duties, and prohibited actions.

Certain types of living arrangements are exempt from the RLTA unless primarily established to avoid application of the RLTA, including:

- residence at public or private institutions where residence is incidental to detention or provision of medical, religious, educational, recreational, or similar services;
- occupancy under a bona fide earnest money agreement or contract to purchase a dwelling unit where the tenant is the purchaser;
- residence in a hotel, motel, or other transient lodging;
- rental agreements where occupancy is by an owner-condemnee whose property has been condemned by the Department of Transportation for acquisition as state highway property, if the agreement is certified by the Attorney General's Office;
- rental agreements for the use of a single-family residence that are incidental to and entered into in connection with a lease of land to be used primarily for agricultural purposes;
- rental agreements providing housing for seasonal agricultural employees in conjunction with employment;
- rental agreements with the Department of Natural Resources on public lands; and

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

- occupancy by a landlord's employee whose right to occupy the premises is conditioned upon employment on the premises.

Summary:

An exemption from the Residential Landlord-Tenant Act is added for living arrangements where the buyer and seller of a dwelling unit enter into a written agreement for the seller to retain possession of the dwelling unit after closing of the sale if the following conditions are satisfied:

- the rental agreement permits the seller to remain in the dwelling unit for no more than three months after closing, and the buyer does not accept any rent payments from the seller after three months from closing;
- the dwelling unit was not a distressed home at the time of closing, as defined in the distressed property conveyances chapter; and
- the seller was represented by a licensed attorney or licensed real estate broker during negotiation of the purchase agreement or at the time of closing.

Votes on Final Passage:

House	96	0
Senate	49	0

Effective: July 23, 2023