
Housing Committee

HB 1124

Brief Description: Protecting tenants from excessive rent and related fees by providing at least six months' notice for rent increases over a certain amount, allowing tenants the right to terminate a tenancy without penalty, and limiting late fees.

Sponsors: Representatives Peterson, Fitzgibbon, Taylor, Street, Berry, Bateman, Ramel, Doglio, Macri, Simmons, Chopp, Lekanoff, Thai, Bergquist, Stonier, Pollet, Riccelli and Ormsby.

Brief Summary of Bill

- Requires landlords to provide at least 180 days' and no more than 220 days' notice for rent increases over 5 percent.
- Allows a tenant to terminate a tenancy without penalty for any rent increase over 5 percent.
- Limits late rental payment fees under the Residential Landlord-Tenant Act to \$75.

Hearing Date: 1/12/23

Staff: Serena Dolly (786-7150).

Background:

Residential Landlord-Tenant Act.

The Residential Landlord-Tenant Act (RLTA) regulates the relationship between residential landlords and tenants, including the duties of tenants and landlords and remedies for violations of those duties. With some statutory exceptions, the rental of a dwelling unit for living purposes is generally covered under the RLTA.

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.

Rent Increases.

Except for rental agreements governing subsidized tenancies, a landlord must provide each affected tenant a minimum of 60 days' prior written notice of an increase in the amount of rent, and any rent increase may not become effective before the end of the rental agreement. For subsidized tenancies where the rental amount is based on the income of the tenant or circumstances specific to the subsidized household, the landlord must provide 30 days' prior notice of the rent increase, and the rent increase may become effective at the end of the rental term or sooner upon mutual consent.

Termination of Tenancy.

A tenant who terminates a tenancy of a specified time, sometimes called a lease, prior to the end of the lease period is liable for rent until the end of the period, although the landlord is required to mitigate the damages by attempting to re-rent the unit at a fair rental price. Alternatively, a dwelling unit may be rented for an indefinite time, from month-to-month or period-to-period. Such a tenancy is automatically renewed for another month or period until terminated by the landlord for causes specified under the RLTA or by the tenant by giving at least 20 days' written notice prior to the end of any of the months or periods of tenancy.

Late Fees.

A landlord may not charge late fees for rent that is paid within five days following its due date. If the rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. When late fees may be assessed after rent becomes due, the tenant may propose that the date rent is due per the rental agreement be altered to a different date of the month. The landlord must agree to such a proposal if it is submitted in writing and the tenant is able to demonstrate that his/her primary source of income is a regular, monthly source of governmental assistance that is not received until after the date rent is due per the rental agreement. The proposed due date may not be more than five days after the date the rent is due per the rental agreement.

Manufactured/Mobile Home Landlord-Tenant Act.

The Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) governs the legal rights, remedies, and obligations arising from any rental agreement between a landlord and a tenant regarding a mobile home lot within a mobile home park where the tenant has no ownership interest in the property or in the association that owns the property.

Rent Increases.

A landlord must provide a tenant with three months' written notice of any rent increase, and any rent increase may not become effective before the end of the term of the rental agreement.

Termination of Tenancy.

If a tenant does not intend to renew a rental agreement, the tenant must notify the landlord one month prior to the end of the rental agreement.

Summary of Bill:

Residential Landlord-Tenant Act.

Under the RLTA, a landlord may not increase a tenant's rent by more than 5 percent without providing written notice between 180 and 220 days before the increase takes effect. The notice must inform the tenant of the tenant's ability to terminate the tenancy without penalty. A tenant who receives notice of a rent increase of more than 5 percent may terminate the tenancy at any point prior to the effective date of the increase by providing at least 20 days' notice for a month-to-month or at least 45 days' notice for a tenancy with a lease, and the landlord must prorate the rent owed to the tenant's move-out date.

A tenant who is charged and pays rent reflecting an increase of more than 5 percent without receiving the required written notice may recover actual damages in the amount of the excess rent paid and treble damages, costs, and reasonable attorneys' fees.

A landlord may not charge a tenant a fee for late payment of rent that exceeds \$75 total.

Manufactured/Mobile Home Landlord-Tenant Act.

Under the MHLTA, a landlord may not increase rent by more than 5 percent without providing written notice between 180 and 220 days before the increase takes effect. The notice must inform the tenant of the tenant's ability to terminate the tenancy without penalty. A tenant who receives notice of a rent increase of more than 5 percent may terminate the tenancy at any point prior to the effective date of the increase by providing at least 45 days' notice, and the landlord must prorate the rent owed to the tenant's move-out date.

A tenant who is charged and pays rent reflecting an increase of more than 5 percent without receiving the required written notice may recover actual damages in the amount of the excess rent paid and treble damages, costs, and reasonable attorneys' fees.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.