SENATE BILL REPORT SB 5899

As of January 12, 2024

Title: An act relating to adding to the list of provisions prohibited from rental agreements.

Brief Description: Adding to the list of provisions prohibited from rental agreements.

Sponsors: Senators Pedersen and Gildon.

Brief History:

Committee Activity: Housing: 1/12/24.

Brief Summary of Bill

• Updates the list of provisions prohibited from rental agreements.

SENATE COMMITTEE ON HOUSING

Staff: Samantha Doyle (786-7335)

Background: Residential Landlord-Tenant Act. The Residential Landlord-Tenant Act (RLTA) governs the relationship and agreements between residential landlords and tenants. These regulations include provisions regarding the rights and duties of both landlords and tenants. The RLTA further establishes the procedures for enforcement and remedies for violations. These procedures include how and when tenancy expires or may be ended.

<u>Prohibited Lease Agreement Provisions.</u> The RLTA prohibits lease agreements from containing provisions that obligate the tenant to waive or forgo certain rights or obligate them in ways deemed against public policy. These prohibitions include requiring the tenant to:

- indemnify the landlord of their obligations arising under the law;
- authorize any person to confess judgement on a claim arising out of the rental agreement;
- agree to pay the landlord's attorneys' fees, except as authorized by the chapter;

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- agree to a particular arbitrator;
- agree to pay late fees within five days following the due date of rent;
- agree to only make rent payments electronically; or
- agree to create a lien upon the personal property of the tenant or authorizing a distress for rent.

Summary of Bill: <u>Prohibited Lease Agreement Provisions.</u> The provisions prohibited from rental agreements are updated to:

- require an award pursuant to a court judgment for a landlord to require a tenant pay the landlord's attorney's fees; and
- prohibits landlords from including provisions in lease agreements that require a tenant to: waive their rights to participate in class actions against the landlord; arbitrate disputes unless the landlord pays the entire cost; or use and pay for nonessential services.

Nonessential services is defined as a third-party service offered by the landlord to the tenant at the tenant's cost where a viable alternative is available at no cost. This definition does not include any duties required to be provided by a landlord pursuant to state law or utilities that are required by the lease agreement to be paid by the tenant.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill will provide a balanced approach to addressing tenant concerns, such as valet garbage requirements or form lease agreements requiring tenants to waive the right to bring class actions. This is a result of a collaboration.

This bill would have prevented having to choose between moving or signing an autogenerated lease renewal that prohibited joining in an action against the property manager. There was no option to negotiate.

OTHER: Collaboration on the definition of nonessential services so that it did not conflict with statutory duties required of landlords was appreciated. However, not all suggestions were taken.

Persons Testifying: PRO: Senator Jamie Pedersen, Prime Sponsor; Mary Marks.

OTHER: Ryan Makinster, Washington Multi-Family Housing Association.

Persons Signed In To Testify But Not Testifying: No one.

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