
SECOND SUBSTITUTE HOUSE BILL 1389

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)

READ FIRST TIME 02/24/23.

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

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 59.18
8 RCW to read as follows:

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

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

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

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

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 59.18
2 RCW to read as follows:

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

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

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

13 (2) If a landlord increases the rent above the amount allowed in
14 subsection (1) of this section, the landlord must include facts
15 supporting the exemption claimed under section 3 of this act in the
16 written notice of the rent increase. Notice must comply with section
17 5 of this act, RCW 59.18.140, and be served in accordance with RCW
18 59.12.040.

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

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

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

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

38 (b) Whether a rent increase, move-in fee, security deposit, term
39 of payment, or other material condition in the lease was used to
40 evade protections afforded to tenants under this chapter or any other

1 source of legal rights. For example, whether the tenant made any
2 complaints regarding repair issues prior to the issuance of the rent
3 increase notice; and

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

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

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

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

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

3 (10) It is a defense to an unlawful detainer action under chapter
4 59.12 RCW that the action to remove the tenant and recover possession
5 of the premises was for nonpayment of rent that was unlawfully
6 increased in violation of this section.

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

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

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 59.18
19 RCW to read as follows:

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

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

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

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

38 (i) A landlord has paid for improvements to the dwelling unit or
39 the common areas of the rental property that the tenant has

1 unrestricted access to, for which the costs or the tenant's
2 proportional share of the costs were greater than an amount equal to
3 four months' rent; and

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

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

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

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

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

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

34 (e) The department shall adopt rules in accordance with chapter
35 34.05 RCW to establish a process to review landlord requests for
36 significant hardship exemptions.

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

39 (5)(a) Beginning April 1, 2024, if a landlord participates in the
40 banked capacity program administered by the department as authorized

1 in this subsection, the landlord may increase the rent above the
2 maximum annual rent increase percentage by an additional three
3 percent for each year that the landlord has banked capacity, up to a
4 10 percent annual rent increase. If a landlord uses banked capacity
5 to increase the rent by 10 percent in one year and still has
6 remaining banked capacity, the landlord may retain any remaining
7 banked capacity for potential use in future years. A landlord as
8 defined in chapter 59.20 RCW may also participate in the banked
9 capacity program.

10 (b) The banked capacity program operates as follows:

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

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

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

39 (iv) If a new owner buys a property and takes over a lease, the
40 new owner may not increase rent for existing tenants beyond the

1 amount that the previous landlord would have been allowed to increase
2 rent, unless another exemption under this section applies. The former
3 landlord's banked capacity may be transferred as part of a property
4 sale.

5 (c) The department shall adopt rules in accordance with chapter
6 34.05 RCW to implement the banked capacity program and establish a
7 process to document when a landlord decides not to increase rent in a
8 12-month period and bank that capacity for future years. In order to
9 participate in the banked capacity program, a landlord must comply
10 with the process established by the department.

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

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

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

37 NEW SECTION. **Sec. 4.** A new section is added to chapter 59.18
38 RCW to read as follows:

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

14 (2) On September 30, 2023, and on each following September 30th,
15 the department shall publish the maximum annual rent increase
16 percentage calculated under subsection (1) of this section, along
17 with the relevant maximum rent increase provisions in sections 2 and
18 6 of this act, in a press release.

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

24 NEW SECTION. **Sec. 5.** A new section is added to chapter 59.18
25 RCW to read as follows:

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

29 "TO TENANTS: (tenant name(s))

30 AT ADDRESS: (tenant address)

31 **NOTICE REGARDING POSSIBLE FUTURE RENT INCREASES**

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

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

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

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

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

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

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

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

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

38 **RENT INCREASE NOTICE TO TENANTS**

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

40 Not raise your rent.

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

9 ___ Raise your rent:

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

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

15 ___ A lower rent increase than otherwise allowed by state law.

16 ___ The maximum increase allowed by state law.

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

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

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

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

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

35 **BANKED CAPACITY RENT INCREASE NOTICE TO TENANTS**

36 Under penalty of perjury, I (landlord name) certify that I am
37 allowed under Washington State law to raise your rent by (percent),
38 which is more than the maximum increase allowed by state law, because
39 I did not raise your rent, or the rent under a previous tenancy for
40 which the banked capacity has carried over to your tenancy, in (list

1 year or years) and I participated in the banked capacity program
2 administered by the Washington State Department of Commerce.

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

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

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

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

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

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

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

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

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

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

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

38 **LANDLORD EXEMPTION RENT INCREASE NOTICE TO TENANTS**

39 Under penalty of perjury, I (landlord name) certify that I am
40 allowed under Washington State law to raise your rent by (percent),

1 which is more than the maximum increase allowed by state law, because
2 I am claiming the following exemption (check one of the following):

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

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

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

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

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

28 NEW SECTION. **Sec. 6.** A new section is added to chapter 59.20
29 RCW to read as follows:

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

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

35 (b) During any 12-month period, in an amount greater than the
36 rate of inflation as measured by the consumer price index or three
37 percent, whichever is greater, up to a maximum of seven percent above
38 the existing rent. The maximum annual rent increase percentage

1 allowed for each calendar year is calculated and published by the
2 department as required in section 4 of this act.

3 (2) If a landlord increases the rent above the amount allowed in
4 subsection (1) of this section, the landlord must include facts
5 supporting the exemption claimed under section 3 of this act in the
6 written notice of the rent increase. Notice must comply with section
7 5 of this act, RCW 59.20.090(2), and be served in accordance with RCW
8 59.12.040.

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

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

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

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

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

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

37 (6) The attorney general may issue a cease and desist letter to
38 any person to restrain and prevent violations of this section. If the
39 recipient of a cease and desist letter does not comply within five
40 calendar days of receipt of the letter, the attorney general may file

1 an action in superior court to enforce this section. If the court
2 finds that the person violated this section and failed to comply with
3 a cease and desist letter, the court shall enjoin the person from
4 engaging in conduct that violates this section and impose a civil
5 penalty of no more than \$10,000 in addition to other remedies per
6 violation of the cease and desist letter. In any successful action to
7 enforce a cease and desist letter under this section, the court shall
8 award the attorney general the costs of bringing the action,
9 including reasonable investigative costs and reasonable attorneys'
10 fees, plus damages and restitution for any persons harmed by the
11 violation.

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

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

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

32 (10) It is a defense to an unlawful detainer action under chapter
33 59.12 RCW that the action to remove the tenant and recover possession
34 of the premises was for nonpayment of rent that was unlawfully
35 increased in violation of this section.

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

39 (12) Nothing in this section limits the authority of local
40 government to adopt an ordinance consistent with this section to

1 provide administrative or judicial remedies, or both, for residential
2 rent practices prohibited by this section. The local government, or
3 its designee, may investigate practices prohibited by this section
4 and impose civil penalties consistent with this section. Nothing in
5 this section prohibits local governments from assessing and enforcing
6 civil penalties consistent with this section.

7 NEW SECTION. **Sec. 7.** A new section is added to chapter 59.20
8 RCW to read as follows:

9 (1) A landlord may increase rent in an amount greater than
10 allowed under section 6 of this act only as authorized by the
11 exemptions described in this section or as provided in RCW
12 59.20.060(2)(c).

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

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

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

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

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

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

1 (d) Beginning April 1, 2024, if a landlord participates in the
2 banked capacity program administered by the department as described
3 in section 3 of this act, the landlord may increase the rent above
4 the maximum annual rent increase percentage by an additional three
5 percent for each year that the landlord has banked capacity, up to a
6 10 percent annual rent increase.

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

15 (2) For the purposes of this section, the definitions in section
16 1 of this act apply.

17 NEW SECTION. **Sec. 8.** A new section is added to chapter 59.20
18 RCW to read as follows:

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

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

25 (3) For the purposes of this section, the definitions in section
26 1 of this act apply.

27 NEW SECTION. **Sec. 9.** A new section is added to chapter 59.18
28 RCW to read as follows:

29 (1) The legislature finds that the practices covered by sections
30 2, 3, and 5 of this act are matters vitally affecting the public
31 interest for the purpose of applying the consumer protection act,
32 chapter 19.86 RCW.

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

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

3 NEW SECTION. **Sec. 10.** A new section is added to chapter 59.20
4 RCW to read as follows:

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

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

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

16 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
17 preservation of the public peace, health, or safety, or support of
18 the state government and its existing public institutions, and takes
19 effect immediately.

20 NEW SECTION. **Sec. 12.** If specific funding for the purposes of
21 this act, referencing this act by bill or chapter number, is not
22 provided by June 30, 2023, in the omnibus appropriations act, this
23 act is null and void.

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