FINAL BILL REPORT
EHB 1217

C 209 L 25
Synopsis as Enacted

Brief Description: Improving housing stability for tenants subject to the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act by limiting rent and fee increases, requiring notice of rent and fee increases, limiting fees and deposits, establishing a landlord resource center and associated services, authorizing tenant lease termination, creating parity between lease types, and providing for attorney general enforcement.

Sponsors: Representatives Alvarado, Macri, Ramel, Peterson, Berry, Mena, Thai, Reed, Obras, Farivar, Parshley, Ortiz-Self, Cortes, Duerr, Street, Berg, Taylor, Fitzgibbon, Doglio, Timmons, Tharinger, Fosse, Gregerson, Simmons, Wylie, Pollet, Kloba, Nance, Davis, Ormsby, Lekanoff, Bergquist, Scott, Stonier and Hill.

House Committee on Housing
House Committee on Appropriations
Senate Committee on Housing
Senate Committee on Ways & Means

Background:

Residential Landlord-Tenant Act.
The Residential Landlord-Tenant Act (RLTA) governs the legal duties, rights, and remedies related to any rental agreement between a landlord and a tenant for a residential dwelling unit.

Rent Increases and Notice Requirements.
Generally, a landlord subject to the RLTA is required to provide each affected tenant with written notice of a rent increase at least 60 days before the increase, and any increase in rent may not become effective prior to completion of the term of the rental agreement. However, if the rental agreement is for a subsidized tenancy where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, a landlord must provide each affected tenant with written notice of a rent increase at least 30 days before the increase, and an increase in rent may become effective sooner than

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completion of the term of the rental agreement upon mutual consent.

Tenant Lease Termination.
Generally, a tenant subject to the RLTA may end a rental agreement by providing a landlord with written notice at least 20 days before the end of any month for a month-to-month tenancy, or written notice at least 20 days before the end date specified in the rental agreement for a longer-term tenancy. However, upon receiving certain military orders, a tenant who is a member of the armed forces may end a month-to-month tenancy with less than 20 days of written notice and may end a longer-term tenancy with at least 20 days of written notice at any time during the tenancy.

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

Rent Increases and Notice Requirements.
Under the MHLTA, a rental agreement between a landlord and a tenant is generally not allowed to contain any provisions that allow the landlord to increase the rent during the term of the rental agreement if the term is less than two years, or more frequently than annually if the initial term is for two years or more. However, an exception is provided for certain escalation clause provisions.

A landlord subject to the MHLTA who intends to increase the rent upon the expiration of the term of a rental agreement must notify the tenant in writing three months prior to the effective date of the rent increase.

Tenant Lease Termination.
Generally, a tenant subject to the MHLTA may end a rental agreement by providing a landlord with written notice one month before the expiration of the rental agreement. However, a tenant may end a rental agreement with 30 days of written notice at any time during the rental agreement whenever a change in the location of the tenant's employment requires a change in residence. Additionally, a tenant who is a member of the armed forces may end a rental agreement with less than 30 days of written notice at any time during the rental agreement if the tenant receives certain military orders that do not allow for greater notice.

Definition of Rent.
The RLTA defines "rent" or "rental amount" as recurring and periodic charges identified in the rental agreement for the use and occupancy of the premises, which may include charges for utilities. With some exceptions, these terms do not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees, including attorneys' fees.

The MHLTA does not contain a definition of "rent" or "rental amount." However, the MHLTA does specify that rental agreements must include a listing of the utilities, services, and facilities which will be available to the tenant during the tenancy and the nature of any fees to be charged together with a statement that, in the event any utilities are changed to be charged independent of the rent during the term of the rental agreement, the landlord agrees to decrease the amount of the rent charged proportionately.

Summary:

Rent Increase Limit.
Unless an exemption applies, rent increases under the RLTA are limited during any 12-month period of a tenancy to the lesser of 7 percent plus the Consumer Price Index (CPI), or 10 percent. Rent increases under the MHLTA are limited during any 12-month period of a tenancy to 5 percent. Under both the RLTA and the MHLTA, rent increases are also prohibited during the first 12 months of a tenancy.

The CPI is defined as the June 12-month percent change in the CPI for all urban consumers, all items, for the Seattle area, as published by the United States Bureau of Labor Statistics. Beginning June 1, 2025, and annually thereafter, the Department of Commerce must calculate the maximum annual rent increase percentage allowed under the RLTA and publish the information on its website and in a press release.

The RLTA rent increase limit does not prohibit a landlord from adjusting the rent by any amount after a tenant vacates the dwelling unit and the tenancy ends.

Expiration of Limit.
The RLTA rent increase limit and related provisions expire July 1, 2040.

Exemptions to the Rent Increase Limit.
The rent increase limit does not apply in the following circumstances:

- for tenancies under the RLTA where the first certificate of occupancy was issued 12 or less years before the date of the notice of the rent increase;
- for tenancies under either the RLTA or the MHLTA operated by public housing authorities; public development authorities; nonprofit organizations where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements; or certain other nonprofit entities; and for tenancies in certain qualified low-income housing developments where the property is owned by any such organizations;
- for tenancies under the RLTA in qualified low-income housing developments which were allocated federal low-income housing tax credits, so long as there is an enforceable regulatory agreement with the Washington State Housing Finance Commission;
- for tenancies in certain owner-occupied rentals under the RLTA, including the

following, as long as the owner is not a real estate investment trust, a corporation, or a limited liability company in which at least one member is a corporation:
    - tenancies in a dwelling unit where the tenant shares a bathroom or kitchen with the owner who maintains a principal residence at the property;
    - tenancies in single-family owner-occupied residences, including residences where the owner-occupant rents no more than two units or bedrooms; and
    - tenancies in duplexes, triplexes, and fourplexes in which the owner occupied one of the units as a principal residence at the beginning of tenancy, so long as the owner continues the occupancy;
- for tenancies under the MHLTA, during the first 12 months after the qualified sale of a manufactured/mobile home community (MHC) to an eligible organization under the MHLTA whose mission aligns with the long-term preservation and affordability of the MHC, if needed to cover the cost of purchasing the MHC and approved by the majority of homeowners in the MHC; and
- for tenancies under the MHLTA, if a rental agreement is transferred due to a former tenant's sale of a manufactured/mobile home, the landlord has the option to make a one-time rent increase of any amount at the time of the rental agreement's first renewal after the transfer, as long as the landlord provides the tenant with notice of this one-time increase option prior to final transfer of the rental agreement.

Rent Increase Notice Requirements.
A landlord must provide tenants with written notice of rent increases in a specific form known as the Rent and Fee Increase Notice to Tenants. The form includes a brief summary of the laws regarding rent increases and the exemptions that can be claimed by a landlord. If a landlord claims an exemption from the rent increase limit, the landlord must include facts or attach documents to the notice form supporting any claimed exemptions. The notice must be served in accordance with the requirements for service of notices under the unlawful detainer laws, the RLTA, and the MHLTA.

The rent increase notice period under the RLTA is increased from 60 days to 90 days such that a landlord is required to provide a minimum of 90 days' written notice to tenants before the effective date of any rent increase. However, for a tenant whose lease or rental agreement was entered into or renewed before the effective date of the act and whose tenancy is for a specified time, if the lease or rental agreement has more than 60 days but less than 90 days left before the end of the specified time, the landlord must provide written notice to the tenant a minimum of 60 days before the rent increase.

Opportunity to Cure and Tenant Lease Termination Provisions.
If a landlord increases rent above the rent increase limit and is not authorized by an exemption, the tenant:
- must offer the landlord an opportunity to cure the unauthorized rent increase by providing the landlord with a written demand to reduce the increase to an amount that complies with the limit; and
- may terminate the rental agreement at any time before the effective date of the

increase by providing the landlord with a 20-day written notice under the RLTA or a 30-day written notice under the MHLTA. In such case, the tenant owes rent for the full month in which the tenant vacates the dwelling unit or manufactured/mobile home lot, and the landlord is prohibited from charging the tenant any fines or fees for terminating the rental agreement.

Other Tenant Protections.
In addition to the rent increase limit, rent increase notice requirements, and tenant lease termination provisions, the following tenant protections are provided.

For tenancies subject to the MHLTA:

- Move-in fees and security deposits combined may not exceed one month's rent, unless the tenant has any pets in which case the move-in fees and security deposits combined may not exceed two months' rent. This requirement applies to leases or rental agreements entered into on or after the effective date of the act.
- Late fees may not exceed 2 percent of the tenant's total rent per month during the first month that rent is past due, 3 percent of the tenant's total rent per month during the second consecutive month that rent is past due, and 5 percent of the tenant's total rent per month during the third consecutive month and all subsequent consecutive months that rent is past due. This requirement applies to leases or rental agreements entered into or renewed on or after the effective date of the act.

For tenancies subject to the RLTA: Landlords are prohibited from including terms or 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 or lesser than month-to-month, or vice versa. However, a landlord must provide parity between lease types with respect to the amount of rent charged for a specific dwelling unit. For these purposes, "parity between lease types" means that the landlord may not charge a tenant more than a 5 percent difference in rent for a specific dwelling unit depending on the type of lease or rental agreement offered. This 5 percent difference may not cause the rent charged for a specific dwelling unit to exceed the rent increase limit.

For tenancies subject to the RLTA or the MHLTA: Landlords are prohibited from reporting a tenant to a tenant screening service provider for failure to pay the portion of the tenant's rent that was unlawfully increased.

Cause of Action.
A tenant or the Attorney General (AG) may bring a court action to enforce compliance with the act. If the court finds that a landlord has violated the act, the court must award reasonable attorneys' fees and costs to the entity who brings the lawsuit. The court must also award the tenant damages in the amount of any excess rent, fees, or other costs paid by the tenant, and damages in an amount of up to three months of any unlawful rent, fees, or other costs charged by the landlord.

The AG has certain investigative powers and may bring an enforcement lawsuit even if the tenant has not offered the landlord an opportunity to cure. The civil penalties that the AG may recover are limited to $7,500 per violation.

Landlord Resource Center.
The Department of Commerce must create an online landlord resource center to distribute information to landlords about available programs, associated services, and resources, such as the Landlord Mitigation Program and low-income weatherization programs.

Definition of Rent.
A definition of "rent" or "rental amount" is added to the MHLTA that is similar to the definition provided in the RLTA. For the MHLTA, these terms are defined as recurring and periodic charges identified in the rental agreement for the use and occupancy of the manufactured/mobile home lot, which may include certain charges for utilities. These terms do not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees.

Other Provisions.
The act is null and void unless funded in the budget. A severability clause is included that states if any provision of the act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Votes on Final Passage:

House	53	42	
Senate	29	20	(Senate amended)
House			(House refused to concur)

Conference Committee

Senate	27	20	
House	54	44	

Effective: May 7, 2025