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HOUSE BILL 2024

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State of Washington

54th Legislature

1995 Regular Session

By Representatives Costa, Mason, Scott, Tokuda, Veloria, Cody, Dickerson, R. Fisher, Romero and Wolfe

Read first time 02/22/95. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to interest on deposits held by landlords of mobile  
2 home parks; amending RCW 59.20.170; and adding a new section to chapter  
3 59.20 RCW.

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

5 **Sec. 1.** RCW 59.20.170 and 1979 ex.s. c 186 s 12 are each amended  
6 to read as follows:

7 All moneys paid to the landlord by the tenant as a deposit as  
8 security for performance of the tenant's obligations in a rental  
9 agreement shall promptly be deposited by the landlord in a trust  
10 account, maintained by the landlord for the purpose of holding such  
11 security deposits for tenants of the landlord, in a bank, savings and  
12 loan association, mutual savings bank, or licensed escrow agent located  
13 in Washington. (~~Unless otherwise agreed in writing, the landlord  
14 shall be entitled to receipt of interest paid on such trust account  
15 deposits.~~) The landlord shall provide the tenant with a written  
16 receipt for the deposit and shall provide written notice of the name  
17 and address and location of the depository and any subsequent change  
18 thereof. If during a tenancy the status of landlord is transferred to  
19 another, any sums in the deposit trust account affected by such

1 transfer shall simultaneously be transferred to an equivalent trust  
2 account of the successor landlord, and the successor landlord shall  
3 promptly notify the tenant of the transfer and of the name, address and  
4 location of the new depository. The tenant's claim to any moneys paid  
5 under this section shall be prior to that of any creditor of the  
6 landlord, including a trustee in bankruptcy or receiver, even if such  
7 moneys are commingled.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 59.20 RCW  
9 to read as follows:

10 (1) A landlord of any mobile home park with twenty-five or more  
11 lots shall pay interest on any money paid to the landlord by a tenant  
12 as a deposit or as security for performance of the tenant's  
13 obligations, to the mobile home park relocation fund established under  
14 RCW 59.21.050. The interest shall be computed from the date of the  
15 deposit at a rate of four percent per year on any security deposit held  
16 by the landlord for more than six months. The interest shall be paid  
17 within thirty days after the end of each twelve-month period.

18 (2) A landlord may retain any portion of the interest payable under  
19 subsection (1) of this section that is required to compensate the  
20 landlord for nonpayment of rent or for damages caused by the tenant in  
21 excess of the security deposit. A landlord may also retain a portion  
22 of the interest payable under subsection (1) of this section, pursuant  
23 to rules adopted by the department of community, trade, and economic  
24 development, to cover reasonable costs associated with the payment of  
25 this interest.

26 (3) The interest shall be remitted by the landlord to the  
27 department of revenue under the rules the department shall adopt. The  
28 interest shall be forwarded by the department of revenue to the state  
29 treasurer for deposit into the mobile home park relocation account.  
30 The provisions of chapter 82.32 RCW shall apply to the collection and  
31 enforcement of this interest.

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