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SUBSTITUTE SENATE BILL 6378

State of Washington 66th Legislature 2020 Regular Session

By Senate Housing Stability & Affordability (originally sponsored by Senators Kuderer, Darneille, Das, and Lovelett)

READ FIRST TIME 01/28/20.

- 1 AN ACT Relating to residential tenant protections; amending RCW
- 2 59.18.057, 59.18.365, 59.18.410, 59.18.230, 59.18.290, 59.18.140, and
- 3 43.31.605; creating a new section; and declaring an emergency.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- The legislature finds that despite the 5 NEW SECTION. Sec. 1. 6 several eviction reforms during the 2019 regular 7 legislative session there is a need to clarify certain reforms and to 8 address the unintended effects and oversights that have limited the 9 impact and remedial nature of these reforms available to tenants. 10 Specifically, the legislature finds that further clarity is required 11 as to how and when tenants can access emergency rental assistance to 12 pay off unlawful detainer judgment amounts and have their tenancies 13 reinstated before judgment, when tenants can request a different rent 14 due date, and that a landlord cannot threaten a tenant with eviction 15 for failure to pay fees not related to rent. As a result, the 16 legislature intends with this act to make such modifications to 17 ensure that tenants with limited to no resources maintain stable 18 housing.
- 19 **Sec. 2.** RCW 59.18.057 and 2019 c 356 s 3 are each amended to 20 read as follows:

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1 (1) Every fourteen-day notice served pursuant to RCW 59.12.030(3)
2 must be in substantially the following form:
3 "TO:

4 AND TO:
5 ADDRESS:

FOURTEEN-DAY NOTICE TO PAY RENT OR VACATE THE PREMISES

You are receiving ((the attached)) this notice because the landlord alleges you are not in compliance with the terms of the lease agreement by failing to pay rent and/or utilities and/or recurring or periodic charges that are past due.

- (1) Monthly rent due for (list month(s)): \$ (dollar amount)
 AND/OR
- 13 (2) Utilities due for (list month(s)): \$ (dollar amount)
 14 AND/OR
- 15 (3) Other recurring or periodic charges identified in the lease 16 for (list month(s)): \$ (dollar amount)

17 TOTAL AMOUNT DUE: \$ (dollar amount)

Note - payment must be ((by cash)) made pursuant to the terms of the rental agreement or by nonelectronic means including, but not limited to, cashier's check, money order, or other certified funds ((pursuant to the terms of the rental agreement)).

You must pay the total amount due to your landlord within fourteen (14) days after service of this notice or you must vacate the premises. Any payment you make to the landlord must first be applied to the total amount due as shown on this notice. Any failure to comply with this notice within fourteen (14) days after service of this notice may result in a judicial proceeding that leads to your eviction from the premises.

The Washington state Office of the Attorney General has this notice in multiple languages on its web site. You will also find information there on how to find a lawyer or advocate at low or no cost and any available resources to help you pay your rent. Alternatively, for no-cost legal assistance for low-income renters call 2-1-1 ((to learn about these services)) or the Northwest Justice Project CLEAR Hotline outside King County (888) 201-1014 weekdays between 9:15 a.m. - 12:15 p.m., or (888) 387-7111 for seniors (age 60 and over). You may find additional information to help you at http://www.washingtonlawhelp.org.

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1	State law provides you the right to receive interpreter services
2	at court.
3	
4	OWNER/LANDLORD:DATE:
5	
6	WHERE TOTAL AMOUNT DUE IS TO BE PAID:(owner/landlord name)
7	(address)"

- (2) The form required in this section does not abrogate any additional notice requirements to tenants as required by federal, state, or local law.
- **Sec. 3.** RCW 59.18.365 and 2019 c 356 s 9 are each amended to 12 read as follows:

2.3

- (1) The summons must contain the names of the parties to the proceeding, the attorney or attorneys if any, the court in which the same is brought, the nature of the action, in concise terms, and the relief sought, and also the return day; and must notify the defendant to appear and answer within the time designated or that the relief sought will be taken against him or her. The summons must contain a street address for service of the notice of appearance or answer and, if available, a facsimile number for the plaintiff or the plaintiff's attorney, if represented. The summons must be served and returned in the same manner as a summons in other actions is served and returned.
- (2) A defendant may serve a copy of an answer or notice of appearance by any of the following methods:
- (a) By delivering a copy of the answer or notice of appearance to the person who signed the summons at the street address listed on the summons;
- (b) By mailing a copy of the answer or notice of appearance addressed to the person who signed the summons to the street address listed on the summons;
- (c) By facsimile to the facsimile number listed on the summons. Service by facsimile is complete upon successful transmission to the facsimile number listed upon the summons;
 - (d) As otherwise authorized by the superior court civil rules.
- (3) The summons for unlawful detainer actions for tenancies covered by this chapter shall be substantially in the following form:

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1	IN THE SUPERIOR COURT OF THE
2	STATE OF WASHINGTON
3	IN AND
4	FOR COUNTY
5	Plaintiff/ NO.
6	Landlord/
7	Owner,
8	J
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11	
12	vs. EVICTION SUMMONS
13	vs. EVICTION SUMMONS
14	(Residential)
15	Defendant/
16	Tenant/
	Occupant.
17	THIS IS AN IMPORTANT LEGAL DOCUMENT TO EVICT YOU.
18	YOUR WRITTEN
19	RESPONSE MUST BE RECEIVED BY: 5:00 p.m., on
20	TO: (Defendant's Name)
21	(Defendant's Address)
22	GET HELP: If you do not respond by the deadline above, you will
23	lose your right to defend yourself in court and could be evicted. If
24	you cannot afford a lawyer, you may call 2-1-1 or the Northwest
25	Justice Project CLEAR Hotline outside King County (888) 201-1014
26	weekdays between 9:15 a.m 12:15 p.m., or (888) 387-7111 for
27	seniors (age 60 and over). They can refer you to free or low-cost
28	legal help. ((They can help you find help to pay for a lawyer.)) You
29	may find additional information to help you at http://
30	www.washingtonlawhelp.org.
31	HOW TO RESPOND: Phone calls to your Landlord or your Landlord's
32	lawyer are not a response. You may respond with a "notice of
33	appearance." This is a letter that includes the following:
34	(1) A statement that you are appearing in the court case
35	(2) Names of the landlord(s) and the tenant(s) (as listed above)

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1 (3) Your name, your address where legal documents may be sent, 2 your signature, phone number (if any), and case number (if the case 3 is filed)

WHERE TO RESPOND: You must mail, fax, or hand deliver your response letter to your Landlord's lawyer, or if no lawyer is named in the complaint, to your Landlord. If you mail the response letter, you must do it 3 days before the deadline above. Request receipt of a proof of mailing from the post office. If you hand deliver or fax it, you must do it by the deadline above. The address is:

14 (Attorney/Landlord Name)

15 (Address)

16 (Fax - required if available)

court date: If you respond to this Summons, you will be notified of your hearing date in a document called an "Order to Show Cause." This is usually mailed to you. If you get notice of a hearing, you must go to the hearing. If you do not show up, your landlord can evict you. Your landlord might also charge you more money. If you move before the court date, you must tell your landlord or the landlord's attorney.

- Sec. 4. RCW 59.18.410 and 2019 c 356 s 7 are each amended to read as follows:
- (1) If at trial the verdict of the jury or, if the case is tried without a jury, the finding of the court is in favor of the landlord and against the tenant, judgment shall be entered for the restitution of the premises; and if the proceeding is for unlawful detainer after neglect or failure to perform any condition or covenant of a lease or agreement under which the property is held, or after default in the payment of rent, the judgment shall also declare the forfeiture of the lease, agreement, or tenancy. The jury, or the court, if the proceedings are tried without a jury, shall also assess the damages arising out of the tenancy occasioned to the landlord by any forcible entry, or by any forcible or unlawful detainer, alleged in the complaint and proved at trial, and, if the alleged unlawful detainer is based on default in the payment of rent, find the amount of any rent due, and the judgment shall be rendered against the tenant

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liable for the forcible entry, forcible detainer, or unlawful detainer for the amount of damages thus assessed, for the rent, if any, found due, and late fees if such fees are due under the lease and do not exceed seventy-five dollars in total. The court may award statutory costs. The court may also award reasonable attorneys' fees as provided in RCW 59.18.290.

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(2) When the tenant is liable for unlawful detainer after a default in the payment of rent, execution upon the judgment shall not occur until the expiration of five court days after the entry of the judgment. Before ((such time has expired)) issuance of a judgment or until five court days have expired after issuance of the judgment, the tenant or any subtenant, or any mortgagee of the term, or other party interested in the continuance of the tenancy, may pay into court or to the landlord the amount of the rent due, any court costs incurred at the time of payment, late fees if such fees are due under the lease and do not exceed seventy-five dollars in total, and attorneys' fees if awarded, in which event any judgment entered shall be satisfied and the tenant restored to his or her tenancy. If the tenant seeks to restore his or her tenancy after entry of a judgment, the tenant may tender the amount stated within the judgment as long as that amount does not exceed the amount authorized under subsection (1) of this section. If a tenant seeks to restore his or her tenancy and pay the amount set forth in this subsection with funds acquired through an emergency rental assistance program provided by a governmental or nonprofit entity, the tenant shall provide a copy of the pledge of emergency rental assistance provided from the appropriate governmental or nonprofit entity and have an opportunity to exercise such rights under this subsection, which may include a stay of judgment and provision by the landlord of documentation necessary for processing the assistance. The landlord shall accept any pledge of emergency rental assistance funds provided to the tenant from a governmental or nonprofit entity before the expiration of the fourteen-day pay or vacate notice under RCW 59.12.030(3) for any amount of the rent owing under the rental agreement. If a judgment has been satisfied, the landlord shall file a satisfaction of judgment with the court. A tenant seeking to exercise rights under this subsection shall pay an additional fifty dollars for each time the tenant was reinstated after judgment pursuant to this subsection within the previous twelve months prior to payment. If payment of the amount specified in this subsection is not made within five court

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days after the entry of the judgment, the judgment may be enforced for its full amount and for the possession of the premises.

- (3) (a) Following the entry of a judgment in favor of the landlord and against the tenant for the restitution of the premises and forfeiture of the tenancy due to nonpayment of rent, the court, at the time of the show cause hearing or trial, or upon subsequent motion of the tenant but before the execution of the writ of restitution, may stay the writ of restitution upon good cause and on such terms that the court deems fair and just for both parties. In making this decision, the court shall consider evidence of the following factors:
- 12 (i) The tenant's willful or intentional default or intentional 13 failure to pay rent;
- 14 (ii) Whether nonpayment of the rent was caused by exigent 15 circumstances that were beyond the tenant's control and that are not 16 likely to recur;
 - (iii) The tenant's ability to timely pay the judgment;
 - (iv) The tenant's payment history;

- 19 (v) Whether the tenant is otherwise in substantial compliance 20 with the rental agreement;
 - (vi) Hardship on the tenant if evicted; and
- (vii) Conduct related to other notices served within the last six months.
 - (b) The burden of proof for such relief under this subsection (3) shall be on the tenant. If the tenant seeks relief pursuant to this subsection (3) at the time of the show cause hearing, the court shall hear the matter at the time of the show cause hearing or as expeditiously as possible so as to avoid unnecessary delay or hardship on the parties.
 - (c) In any order issued pursuant to this subsection (3):
 - (i) The court shall not stay the writ of restitution more than ninety days from the date of order, but may order repayment of the judgment balance within such time. If the payment plan is to exceed thirty days, the total cumulative payments for each thirty-day period following the order shall be no less than one month of the tenant's share of the rent, and the total amount of the judgment and all additional rent that is due shall be paid within ninety days.
- 38 (ii) Within any payment plan ordered by the court, the court 39 shall require the tenant to pay to the landlord or to the court one 40 month's rent within five court days of issuance of the order. If the

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date of the order is on or before the fifteenth of the month, the tenant shall remain current with ongoing rental payments as they become due for the duration of the payment plan; if the date of the order is after the fifteenth of the month, the tenant shall have the option to apportion the following month's rental payment within the payment plan, but monthly rental payments thereafter shall be paid according to the rental agreement.

- (iii) The sheriff may serve the writ of restitution upon the tenant before the expiration of the five court days of issuance of the order; however, the sheriff shall not execute the writ of restitution until after expiration of the five court days in order for payment to be made of one month's rent as required by (c) (ii) of this subsection. In the event payment is made as provided in (c) (ii) of this subsection for one month's rent, the court shall stay the writ of restitution ex parte without prior notice to the landlord upon the tenant filing and presenting a motion to stay with a declaration of proof of payment demonstrating full compliance with the required payment of one month's rent. Any order staying the writ of restitution under this subsection (3)(c)(iii) shall require the tenant to serve a copy of the order on the landlord by personal delivery, first-class mail, facsimile, or email if agreed to by the parties.
- (A) If the tenant has satisfied (c)(ii) of this subsection by paying one month's rent within five court days, but defaults on a subsequent payment required by the court pursuant to this subsection (3)(c), the landlord may enforce the writ of restitution after serving a notice of default in accordance with RCW 59.12.040 informing the tenant that he or she has defaulted on rent due under the lease agreement or payment plan entered by the court. Upon service of the notice of default, the tenant shall have three calendar days from the date of service to vacate the premises before the sheriff may execute the writ of restitution.
- (B) If the landlord serves the notice of default described under this subsection (3)(c)(iii), an additional day is not included in calculating the time before the sheriff may execute the writ of restitution. The notice of default must be in substantially the following form:
- NOTICE OF DEFAULT FOR RENT AND/OR PAYMENT PLAN ORDERED BY COURT

39 NAME(S)

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- 1 ADDRESS
- 2 CITY, STATE, ZIP
- 3 THIS IS NOTICE THAT YOU ARE IN DEFAULT OF YOUR RENT AND/OR
- 4 PAYMENT PLAN ORDERED BY THE COURT. YOUR LANDLORD HAS RECEIVED THE
- 5 FOLLOWING PAYMENTS:
- 6 DATE
- 7 AMOUNT
- 8 DATE
- 9 AMOUNT
- 10 DATE
- 11 AMOUNT
- 12 THE LANDLORD MAY SCHEDULE YOUR PHYSICAL EVICTION WITHIN THREE
- 13 CALENDAR DAYS OF SERVICE OF THIS NOTICE. TO STOP A PHYSICAL
- 14 EVICTION, YOU ARE REQUIRED TO PAY THE BALANCE OF YOUR RENT AND/OR
- 15 PAYMENT PLAN IN THE AMOUNT OF \$.
- 16 PAYMENT MAY BE MADE TO THE COURT OR TO THE LANDLORD. IF YOU FAIL
- 17 TO PAY THE BALANCE WITHIN THREE CALENDAR DAYS, THE LANDLORD MAY
- 18 PROCEED WITH A PHYSICAL EVICTION FOR POSSESSION OF THE UNIT THAT
- 19 YOU ARE RENTING.
- 20 DATE
- 21 SIGNATURE
- 22 LANDLORD/AGENT
- 23 NAME
- 24 ADDRESS
- 25 PHONE
- 26 (iv) If a tenant seeks to satisfy a condition of this subsection
- 27 (3)(c) by relying on an emergency rental assistance program provided
- 28 by a government or nonprofit entity and provides an offer of proof,
- 29 the court shall stay the writ of restitution as necessary to afford
- 30 the tenant an equal opportunity to comply.
- 31 (v) The court shall extend the writ of restitution as necessary
- 32 to enforce the order issued pursuant to this subsection (3)(c) in the
- 33 event of default.
- 34 (d) ((A tenant who has been served with three or more notices to
- 35 pay or vacate for failure to pay rent as set forth in RCW 59.12.040
- 36 within twelve months prior to the notice to pay or vacate upon which
- 37 the proceeding is based may not seek relief under this subsection
- 38 + (3).

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(e))(i) In any application seeking relief pursuant to this subsection (3) by either the tenant or landlord, the court shall issue a finding as to whether the tenant is low-income, limited resourced, or experiencing hardship to determine if the parties would be eligible for disbursement through the landlord mitigation program account established within RCW 43.31.605(1)(c). In making this finding, the court may include an inquiry regarding the tenant's income relative to area median income, household composition, any extenuating circumstances, or other factors, and may rely on written declarations or oral testimony by the parties at the hearing.

- (ii) After a finding that the tenant is low-income, limited resourced, or experiencing hardship, the court may issue an order: (A) Finding that the landlord is eligible to receive on behalf of the tenant and may apply for reimbursement from the landlord mitigation program; and (B) directing the clerk to remit, without further order of the court, any future payments made by the tenant in order to the department of commerce pursuant 43.31.605(1)(c)(iii). <u>In accordance with RCW 43.31.605(1)(c)</u>, such an order must be accompanied by a copy of the order staying the writ of <u>restitution</u>. Nothing in this subsection $(3)((\frac{(c)}{(c)}))$ <u>(d)</u> shall be deemed to obligate the department of commerce to provide assistance in claim reimbursement through the landlord mitigation program if there are not sufficient funds.
 - (iii) If the department of commerce fails to disburse payment to the landlord for the judgment pursuant to this subsection $(3)((\frac{(e)}{(e)}))$ (d) within thirty days from submission of the application, the landlord may renew an application for a writ of restitution pursuant to RCW 59.18.370 and for other rent owed by the tenant since the time of entry of the prior judgment. In such event, the tenant may exercise rights afforded under this section.
 - (iv) Upon payment by the department of commerce to the landlord for the remaining or total amount of the judgment, as applicable, the judgment is satisfied and the landlord shall file a satisfaction of judgment with the court.
 - (v) Nothing in this subsection $(3)((\frac{(e)}{(e)}))$ <u>(d)</u> prohibits the landlord from otherwise applying for reimbursement for an unpaid judgment pursuant to RCW 43.31.605(1)(c) after the tenant defaults on a payment plan ordered pursuant to (c) of this subsection.
 - (4) If a tenant seeks to stay a writ of restitution issued pursuant to this chapter, the court may issue an ex parte stay of the

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- 1 writ of restitution provided the tenant or tenant's attorney submits a declaration indicating good faith efforts were made to notify the 2 other party or, if no efforts were made, why notice could not be 3 provided prior to the application for an ex parte stay, and 4 describing the immediate or irreparable harm that may result if an 5 6 immediate stay is not granted. The court may require service of the order and motion to stay the writ of restitution by personal 7 delivery, mail, facsimile, or other means most likely to afford the 8 tenant notice of the court date. 9
- 10 (5) In all other cases the judgment may be enforced immediately.
 11 If a writ of restitution shall have been executed prior to judgment
 12 no further writ or execution for the premises shall be required.
- 13 (6) This section also applies if the writ of restitution is 14 issued pursuant to a final judgment entered after a show cause 15 hearing conducted in accordance with RCW 59.18.380.
- 16 **Sec. 5.** RCW 59.18.230 and 2011 c 132 s 11 are each amended to 17 read as follows:

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- (1) (a) Any provision of a lease or other agreement, whether oral or written, whereby any section or subsection of this chapter is waived except as provided in RCW 59.18.360 and shall be deemed against public policy and shall be unenforceable. Such unenforceability shall not affect other provisions of the agreement which can be given effect without them.
- (b) A landlord may not threaten a tenant with eviction for failure to pay nonpossessory charges limited under RCW 59.18.283.
 - (2) No rental agreement may provide that the tenant:
- 27 (a) Agrees to waive or to forgo rights or remedies under this 28 chapter; or
- 29 (b) Authorizes any person to confess judgment on a claim arising 30 out of the rental agreement; or
- 31 (c) Agrees to pay the landlord's attorneys' fees, except as 32 authorized in this chapter; or
- 33 (d) Agrees to the exculpation or limitation of any liability of 34 the landlord arising under law or to indemnify the landlord for that 35 liability or the costs connected therewith; or
- 36 (e) And landlord have agreed to a particular arbitrator at the 37 time the rental agreement is entered into.
- 38 (3) A provision prohibited by subsection (2) of this section 39 included in a rental agreement is unenforceable. If a landlord

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deliberately uses a rental agreement containing provisions known by him or her to be prohibited, the tenant may recover actual damages sustained by him or her, statutory damages not to exceed five hundred dollars, costs of suit, and reasonable attorneys' fees.

(4) The common law right of the landlord of distress for rent is hereby abolished for property covered by this chapter. Any provision in a rental agreement creating a lien upon the personal property of the tenant or authorizing a distress for rent is null and void and of no force and effect. Any landlord who takes or detains the personal property of a tenant without the specific written consent of the tenant to such incident of taking or detention, and who, after written demand by the tenant for the return of his or her personal property, refuses to return the same promptly shall be liable to the tenant for the value of the property retained, actual damages, and if the refusal is intentional, may also be liable for damages of up to five hundred dollars per day but not to exceed five thousand dollars, for each day or part of a day that the tenant is deprived of his or her property. The prevailing party may recover his or her costs of suit and a reasonable attorneys' fee.

In any action, including actions pursuant to chapters 7.64 or 12.28 RCW, brought by a tenant or other person to recover possession of his or her personal property taken or detained by a landlord in violation of this section, the court, upon motion and after notice to the opposing parties, may waive or reduce any bond requirements where it appears to be to the satisfaction of the court that the moving party is proceeding in good faith and has, prima facie, a meritorious claim for immediate delivery or redelivery of said property.

- **Sec. 6.** RCW 59.18.290 and 2019 c 356 s 10 are each amended to 29 read as follows:
 - (1) It is unlawful for the landlord to remove or exclude from the premises the tenant thereof except under a court order so authorizing. Any tenant so removed or excluded in violation of this section may recover possession of the property or terminate the rental agreement and, in either case, may recover the actual damages sustained. The prevailing party may recover the costs of suit or arbitration and reasonable attorneys' fees.
 - (2) It is unlawful for the tenant to hold over in the premises or exclude the landlord therefrom after the termination of the rental agreement except under a valid court order so authorizing. Any

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landlord so deprived of possession of premises in violation of this section may recover possession of the property and damages sustained by him or her, and the prevailing party may recover his or her costs of suit or arbitration and reasonable attorneys' fees subject to subsections (3) and (4) of this section.

- (3) Where the court has entered a judgment in favor of the landlord restoring possession of the property to the landlord, the court may award reasonable attorneys' fees to the landlord; however, the court shall not award attorneys' fees in the following instances:
- (a) If the judgment for possession is entered after the tenant failed to respond to a pleading or other notice requiring a response authorized under this chapter or appear in person at a subsequent hearing; or
- (b) If the total amount of rent awarded in the judgment for rent is equal to or less than two months of the tenant's monthly contract rent or one thousand two hundred dollars, whichever is greater.
- (4) If a tenant has filed a motion to stay a writ of restitution from execution, the court may only award attorneys' fees to the landlord if the tenant is permitted to be reinstated. Any attorneys' fees awarded shall be subject to repayment pursuant to RCW 59.18.410(3).
- **Sec. 7.** RCW 59.18.140 and 2019 c 105 s 1 are each amended to 23 read as follows:
 - (1) The tenant shall conform to all reasonable obligations or restrictions, whether denominated by the landlord as rules, rental agreement, rent, or otherwise, concerning the use, occupation, and maintenance of his or her dwelling unit, appurtenances thereto, and the property of which the dwelling unit is a part if such obligations and restrictions are not in violation of any of the terms of this chapter and are not otherwise contrary to law, and if such obligations and restrictions are brought to the attention of the tenant at the time of his or her initial occupancy of the dwelling unit and thus become part of the rental agreement.
 - (2) The tenant may propose that the date rent is due in the rental agreement be altered to a different due date of the month. The landlord shall agree to such a proposal if it is submitted in writing and the tenant can demonstrate that his or her primary source of income is a regular, monthly source of governmental assistance that

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1 <u>is not received until after the date rent is due in the rental</u>
2 <u>agreement.</u>

- (3) Except for termination of tenancy and an increase in the amount of rent, after thirty days written notice to each affected tenant, a new rule of tenancy may become effective upon completion of the term of the rental agreement or sooner upon mutual consent.
- $((\frac{3}{3}))$ $\underline{(4)}$ (a) Except as provided in (b) of this subsection, a landlord shall provide a minimum of sixty days' prior written notice of an increase in the amount of rent to each affected tenant, and any increase in the amount of rent may not become effective prior to the completion of the term of the rental agreement.
- (b) If the rental agreement governs 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 shall provide a minimum of thirty days' prior written notice of an increase in the amount of rent to each affected tenant. An increase in the amount of rent may become effective upon completion of the term of the rental agreement or sooner upon mutual consent.
- **Sec. 8.** RCW 43.31.605 and 2019 c 356 s 12 are each amended to 20 read as follows:
 - (1) (a) Subject to the availability of funds for this purpose, the landlord mitigation program is created and administered by the department. The department shall have such rule-making authority as the department deems necessary to administer the program.
 - (b) The following types of claims related to landlord mitigation for renting private market rental units to low-income tenants using a housing subsidy program are eligible for reimbursement from the landlord mitigation program account:
 - (i) Up to one thousand dollars for improvements identified in RCW 59.18.255(1)(a). In order to be eligible for reimbursement under this subsection (1)(b)(i), the landlord must pay for the first five hundred dollars for improvements, and rent to the tenant whose housing subsidy program was conditioned on the real property passing inspection. Reimbursement under this subsection (1)(b)(i) may also include up to fourteen days of lost rental income from the date of offer of housing to the applicant whose housing subsidy program was conditioned on the real property passing inspection until move in by that applicant;

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1 (ii) Reimbursement for damages as reflected in a judgment 2 obtained against the tenant through either an unlawful detainer 3 proceeding, or through a civil action in a court of competent 4 jurisdiction after a hearing;

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- (iii) Reimbursement for damages established pursuant to subsection (2) of this section; and
- (iv) Reimbursement for unpaid rent and unpaid utilities, provided that the landlord can evidence it to the department's satisfaction.
- (c) Claims related to landlord mitigation for an unpaid judgment for rent, late fees, attorneys' fees, and costs after a court order pursuant to RCW 59.18.410(3), including any unpaid portion of the judgment after the tenant defaults on the payment plan pursuant to RCW 59.18.410(3)(c), are eligible for reimbursement from the landlord mitigation program account and are exempt from any postjudgment interest required under RCW 4.56.110. Any claim for reimbursement made pursuant to RCW 59.18.410(3)(d)(ii) must be accompanied by a court order staying the writ of restitution pursuant to RCW 59.18.410(3). Any claim for reimbursement under this subsection (1)(c) is not an entitlement.
- (i) The department shall provide for a form on its web site for tenants and landlords to apply for reimbursement funds for the landlord pursuant to this subsection (1)(c).
- (ii) The form must include: (A) Space for the landlord and tenant to provide names, mailing addresses, phone numbers, date of birth for the tenant, and any other identifying information necessary for the department to process payment; (B) the landlord's statewide vendor identification number and how to obtain one; (C) name and address to whom payment must be made; (D) the amount of the judgment with instructions to include any other supporting documentation the department may need to process payment; (E) instructions for how the is to reimburse the department under (c)(iii) of subsection; (F) a description of the consequences if the tenant does not reimburse the department as provided in this subsection (1)(c); (G) a signature line for the landlord and tenant to confirm that they have read and understood the contents of the form and program; and (H) any other information necessary for the operation of the program. If the tenant has not signed the form after the landlord has made good faith efforts to obtain the tenant's signature, the landlord may solely submit the form but must attest to the amount of money owed and sign the form under penalty of perjury.

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(iii) When a landlord has been reimbursed pursuant to this subsection (1)(c), the tenant for whom payment was made shall reimburse the department by depositing the amount disbursed from the landlord mitigation program account into the court registry of the superior court in which the judgment was entered. The tenant or other interested party may seek an ex parte order of the court under the unlawful detainer action to order such funds to be disbursed by the court. Upon entry of the order, the court clerk shall disburse the funds and include a case number with any payment issued to the department. If directed by the court, a clerk shall issue any payments made by a tenant to the department without further court order.

- (iv) The department may deny an application made by a tenant who has failed to reimburse the department for prior payments issued pursuant to this subsection (1) (c).
- (v) With any disbursement from the account to the landlord, the department shall notify the tenant at the address provided within the application that a disbursement has been made to the landlord on the tenant's behalf and that failure to reimburse the account for the payment through the court registry may result in a denial of a future application to the account pursuant to this subsection (1)(c). The department may include any other additional information about how to reimburse the account it deems necessary to fully inform the tenant.
- (vi) The department's duties with respect to obtaining reimbursement from the tenant to the account are limited to those specified within this subsection (1) (c).
- (vii) If at any time funds do not exist in the landlord mitigation program account to reimburse claims submitted under this subsection (1)(c), the department must create and maintain a waitlist and distribute funds in the order the claims are received pursuant to subsection (6) of this section. Payment of any claims on the waitlist shall be made only from the landlord mitigation program account. The department shall not be civilly or criminally liable and may not have any penalty or cause of action of any nature arise against it regarding the provision or lack of provision of funds for reimbursement.
- (2) In order for a claim under subsection (1)(b)(iii) of this section to be eligible for reimbursement from the landlord mitigation program account, a landlord must:

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(a) Have ensured that the rental property was inspected at the commencement of the tenancy by both the tenant and the landlord or landlord's agent and that a detailed written move-in property inspection report, as required in RCW 59.18.260, was prepared and signed by both the tenant and the landlord or landlord's agent;

- (b) Make repairs and then apply for reimbursement to the department;
- (c) Submit a claim on a form to be determined by the department, signed under penalty of perjury; and
- (d) Submit to the department copies of the move-in property inspection report specified in (a) of this subsection and supporting materials including, but not limited to, before repair and after repair photographs, videos, copies of repair receipts for labor and materials, and such other documentation or information as the department may request.
- (3) The department shall make reasonable efforts to review a claim within ten business days from the date it received properly submitted and complete claims to the satisfaction of the department. In reviewing a claim pursuant to subsection (1)(b) of this section, and determining eligibility for reimbursement, the department must receive documentation, acceptable to the department in its sole discretion, that the claim involves a private market rental unit rented to a low-income tenant who is using a housing subsidy program.
- (4) Claims pursuant to subsection (1)(b) of this section related to a tenancy must total at least five hundred dollars in order for a claim to be eligible for reimbursement from the program. While claims or damages may exceed five thousand dollars, total reimbursement from the program may not exceed five thousand dollars per tenancy.
- (5) Damages, beyond wear and tear, that are eligible for reimbursement include, but are not limited to: Interior wall gouges and holes; damage to doors and cabinets, including hardware; carpet stains or burns; cracked tiles or hard surfaces; broken windows; damage to household fixtures such as disposal, toilet, sink, sink handle, ceiling fan, and lighting. Other property damages beyond normal wear and tear may also be eligible for reimbursement at the department's discretion.
- (6) All reimbursements for eligible claims shall be made on a first-come, first-served basis, to the extent of available funds. The department shall use best efforts to notify the tenant of the amount and the reasons for any reimbursements made.

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(7) The department, in its sole discretion, may inspect the property and the landlord's records related to a claim, including the use of a third-party inspector as needed to investigate fraud, to assist in making its claim review and determination of eligibility.

- (8) A landlord in receipt of reimbursement from the program pursuant to subsection (1)(b) of this section is prohibited from:
- (a) Taking legal action against the tenant for damages attributable to the same tenancy; or
- (b) Pursuing collection, or authorizing another entity to pursue collection on the landlord's behalf, of a judgment against the tenant for damages attributable to the same tenancy.
- (9) A landlord denied reimbursement under subsection (1) (b) (iii) of this section may seek to obtain a judgment from a court of competent jurisdiction and, if successful, may resubmit a claim for damages supported by the judgment, along with a certified copy of the judgment. The department may reimburse the landlord for that portion of such judgment that is based on damages reimbursable under the landlord mitigation program, subject to the limitations set forth in this section.
- (10) Determinations regarding reimbursements shall be made by the department in its sole discretion.
- (11) The department must establish a web site that advertises the landlord mitigation program, the availability of reimbursement from the landlord mitigation program account, and maintains or links to the agency rules and policies established pursuant to this section.
- (12) Neither the state, the department, or persons acting on behalf of the department, while acting within the scope of their employment or agency, is liable to any person for any loss, damage, harm, or other consequence resulting directly or indirectly from the department's administration of the landlord mitigation program or determinations under this section.
- (13) (a) A report to the appropriate committees of the legislature on the effectiveness of the program and recommended modifications shall be submitted to the governor and the appropriate committees of the legislature by January 1, 2021. In preparing the report, the department shall convene and solicit input from a group of stakeholders to include representatives of large multifamily housing property owners or managers, small rental housing owners in both rural and urban markets, a representative of tenant advocates, and a representative of the housing authorities.

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- 1 (b) The report shall include discussion of the effectiveness of 2 the program as well as the department's recommendations to improve 3 the program, and shall include the following:
 - (i) The number of total claims and total amount reimbursed to landlords by the fund;
 - (ii) Any indices of fraud identified by the department;
- 7 (iii) Any reports by the department regarding inspections 8 authorized by and conducted on behalf of the department;
- 9 (iv) An outline of the process to obtain reimbursement for 10 improvements and for damages from the fund;
 - (v) An outline of the process to obtain reimbursement for lost rent due to the rental inspection and tenant screening process, together with the total amount reimbursed for such damages;
 - (vi) An evaluation of the feasibility for expanding the use of the mitigation fund to provide up to ninety-day no interest loans to landlords who have not received timely rental payments from a housing authority that is administering section 8 rental assistance;
 - (vii) Any other modifications and recommendations made by stakeholders to improve the effectiveness and applicability of the program.
 - (14) As used in this section:

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- (a) "Housing subsidy program" means a housing voucher as established under 42 U.S.C. Sec. 1437 as of January 1, 2018, or other housing subsidy program including, but not limited to, valid short-term or long-term federal, state, or local government, private nonprofit, or other assistance program in which the tenant's rent is paid either partially by the program and partially by the tenant, or completely by the program directly to the landlord;
- (b) "Low-income" means income that does not exceed eighty percent of the median income for the standard metropolitan statistical area in which the private market rental unit is located; and
- (c) "Private market rental unit" means any unit available for rent that is owned by an individual, corporation, limited liability company, nonprofit housing provider, or other entity structure, but does not include housing acquired, or constructed by a public housing agency under 42 U.S.C. Sec. 1437 as it existed on January 1, 2018.
- NEW SECTION. Sec. 9. Sections 4 through 8 of this act are necessary for the immediate preservation of the public peace, health,

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- 1 or safety, or support of the state government and its existing public
- 2 institutions, and take effect immediately.

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