



Washington Landlord Association

2019 Legislative Priorities

TUESDAY, MARCH 5, 2019

The cutoff for bills to move out of the House of Origin is by Wednesday, March 13, 2019

SUPPORT

1. **HB 2069 - Concerning a property owner's or tenant's liability for delinquent and unpaid utility service charges.**

- Prohibits a city or town utility service provider from collecting delinquent charges from a rental property owner or new residential tenant utility customer.
- Prohibits a city or town utility service provider from placing a lien on a property due to a tenant's delinquent account when the utility account is in the tenant's name.
- Repeals provisions related to utility services and tenant delinquencies and reinstates language as amended in a new section.

Sponsors: *Representatives Dufault, Springer, Santos, Dent, Reeves, DeBolt, Kirby, Harris, Walen, Caldier, Jinkins, Steele, Pollet, Paul, Barkis, Irwin, Lovick, Eslick, Van Werven, Walsh, Fey, Frame, Callan, Shewmake, Valdez, Peterson, Senn, Leavitt*

STATUS HB : House Rules Committee

2. **HB 1745 – Providing local governments with options to preserve affordable housing in their communities.**

- A city may adopt a property tax exemption program to preserve affordable housing within the city that meets health and quality standards for low and very low-income households.
- Qualifying housing units must be:
 - Rented at below market rent levels;
 - For multifamily dwellings, affordable to very low-income households; and
 - An attached or detached accessory dwelling unit that is accessory to a single-family residence, affordable to low-income households.
- Rent levels, including any mandatory fees for tenant paid utilities that are required as a condition of tenancy, may not exceed 30% of the income limit for the very low-income housing unit.

Sponsors: *Representatives Ryu, Appleton, Doglio, Dolan, Pollet, Kloba, Tharinger*

STATUS: House Finance Committee – *May be necessary to implement the budget*

3. **HB 1705 – Charging an owner or placing a lien against the owner's property for utility services provided and billed to a tenant.**

This bill would ensure that tenants are responsible for the utilities on the property while they are the resident.

- Removes the lien from landlords' private property when a tenant does not pay the utility bill.
- Currently, utility companies require that the utility bill be paid before they will allow a new service to a new tenant – i.e. a new “hook up.”

Sponsors: *Representatives Dufault, Springer, Dent, Eslick, Santos, Reeves, Barkis, Goodman, Valdez, Irwin, Harris, Steele, Griffey, Kraft, Peterson, Pollet, Senn, Orwall, Entenman, Chandler, Gildon, Lovick, Sells, Paul, Van Werven, Corry, Jinkins, Leavitt, Frame*

STATUS HB : **DEAD** - House Civil Rights & Judiciary Committee

4. **HB 1834/SB 5746– Providing for adequate provisions for low-income homeownership opportunities.**

Requires at least 15% of Housing Trust Fund grants and loans under the Housing Assistance Program for the benefit of homeownership projects for households at or below 80 percent of the area median family income.

- Authorizes the Department of Commerce to provide down payment or closing cost assistance to a wider range of first-time home buyers.
- Establishes a target of 15% of affordable housing program funds in any funding cycle for homeownership projects under the Affordable Housing Program.

Sponsors: *Representatives Ryu, Dogilo; Senators Saldaña, Nguyen, Zeiger*

STATUS HB: **DEAD** - House Capital Budget Committee

STATUS SB: Senate Rules Committee

OPPOSED

1. **HB 1453 – Concerning residential tenant protections.**

Revises landlord and tenant provisions regarding the protection of certain residential tenants to include:

- Prohibits landlord from offering fixed-term tenancies
- Extends the 3-Day Pay-or-Vacate Notice to 14-days (down from 21-days originally).
- Authorizes “judicial discretion” in unlawful detainer proceedings.

Sponsors: *Representatives Macri, Jinkins, Morgan, Dolan, Frame, Peterson, Thai, Doglio, Gregerson, Pellicciotti, Orwall, Davis, Lekanoff, Senn, Kloba, Stanford, Ortiz-Self*

STATUS: House Floor

2. **HB 1656/SB 5733 - Protecting tenants in residential tenancies.**

This bill makes changes in the Residential Landlord-Tenant Act to include:

- Increases from 10 days to 30 days after a landlord's notice for a tenant to cure “substantial” violations of “material” term of lease;
- Lengthens the time for a tenant to reinstate tenancy from 10 days to 30 days even after losing in court;
- Requires owner to state good cause in order to terminate or refuse to renew a lease;
- Requires third party documentations to withhold security deposits.

Sponsors: *Representatives Macri, Jinkins, Shewmake, Robinson, Doglio, Ryu, Morgan, Goodman, Cody, Orwall, Slatter, Thai, Reeves, Appleton, Dolan, Bergquist, Peterson, Pollet, Gregerson, Frame, Davis; Senators Saldaña, Nguyen, Wilson, C.*

STATUS HB : House Floor

STATUS SB: Senate Rules Committee

3. HB 1440 – Providing longer notice of rent increases.

Rather than the current 30-day notice, requires a landlord to provide a tenant at least 60 days' prior written notice of an increase in rent.

Sponsors: *Representatives Robinson, Macri, Riccelli, Gregerson, Doglio, Tarleton, Kloba, Frame, Jinkins, Morgan, Ortiz-Self, Ormsby*

STATUS: House Floor

4. SB 5600 – Concerning residential tenant protections.

This legislation makes significant changes to the Residential Rental-Landlord and Tenant Act to include:

- Creates a uniform 14-day notice to pay and vacate, which includes information on how tenants can access legal and advocacy resources
- Requires Commerce to provide translated versions of the uniform notice on its website in at least the top 10 languages used in the state and in a printable form, along with information for tenants to access legal and advocacy resources and cultural organizations that may provide assistance in the tenant's primary language
- Includes any charges for utilities in the definition of "rent"
- Authorizes the court to award reasonable attorneys' fees after default in payment of rent or violation of a lease provision only if the tenant acted in bad faith, willfully performed an act prohibited by the lease, or willfully refrained from performing an act required by the lease
- Provides the court with discretion to provide relief from forfeiture or to stay a writ of restitution based upon the required consideration of certain factors and with the burden of proof for relief on the tenant
- Authorizes the court to consider the reasonableness of late fees and costs and attorneys' fees before awarding such fees
- Modernizes "guilty of unlawful detainer" language

Sponsors: *Senators Kuderer, Das, Nguyen, Frockt, Cleveland, Darneille, Saldaña, Hasegawa, Wilson, C., Conway, Randall, Wellman, Keiser, Hunt, Pedersen, Liias*

STATUS: Senate Rules Committee

5. HB 1446 - Addressing mediation under the residential landlord-tenant act.

This bill revises the residential landlord-tenant act regarding compliance with notice and mediation provisions and commencement of unlawful detainers.

- Prior to any legal action to evict a tenant i.e. 3 day pay or vacate both parties must go into mediation.
- Extends timelines by at least 30 days to require mediation.

Sponsors: *Representatives Macri, Jinkins, Shewmake, Robinson, Doglio, Ryu, Morgan, Goodman, Cody, Orwall, Slatter, Thai, Reeves, Appleton, Dolan, Bergquist, Peterson, Pollet, Gregerson, Frame, Davis; Senators*

STATUS HB: **DEAD** - House Civil Rights & Judiciary Committee

6. HB 1694 - Allowing tenants to pay certain sums in installments.

Requires landlords to permit tenants to pay deposits, nonrefundable fees, and last month's rent in installments, subject to one exception and some general parameters regarding the number and timing of the installments.

Sponsors: *Representatives Morgan, Macri, Riccelli, Goodman, Jinkins, Cody, Stonier, Robinson, Appleton, Pollet, Gregerson, Frame*

STATUS: House Floor

7. SB 5123 – Defining three days in unlawful detainer actions.

- Defines four days to mean four calendar days in unlawful detainer actions under the RLTA.
- Excludes the calculation of weekend days or holidays in those 4 days.
- Overrides case law that says weekends and holidays are counted as days. We have been willing to do a 5-day pay or vacate if we make it for all payments due not just rent and to include weekends and holidays.

Sponsors: *Senator Padden*

STATUS: Senate Rules Committee

8. HB 1343/SB 5129 - Increasing revenues for the support of state government.

By the request of the Office of Financial Management and Governor Jay Inslee this legislation would:

- Impose a New Capital Gains Tax of 9%: Current version of this legislation includes commercial real estate properties
- 66% Increase in the B&O Tax: This is targeted at service businesses, including real estate, medical, debt collection, architectural, legal, accounting, and consulting (from 1.5% to 2.5%)
- These taxes will have a MAJOR impact to the commercial and residential industry.

Sponsors: *Representatives Tarleton, Dolan, Valdez, Ormsby, Wylie; Senators Rolfes, Hunt*

STATUS HB: House Finance Committee – *May be necessary to implement the budget*

STATUS SB: Senate Ways & Means Committee – *May be necessary to implement the budget*

9. HB 1172/SB 5314 – Assisting Washington families by improving the fairness of the state's tax system by enacting a capital gains tax and providing property tax relief.

- Imposes a Capital Gains tax, beginning January 1, 2020, on all individuals for the privilege of selling or exchanging long-term capital assets (such as real-estate, stocks, bonds and precious metals) or receiving Washington capital gains.
- The tax equals 8% multiplied by the individual's Washington capital gains. This would not apply to the home you live in.

Sponsors: *Representatives Santos, Wylie, Chapman, Valdez, Dolan; Senators Wellman, Hunt, Kuderer*

STATUS HB: House Finance Committee – *May be necessary to implement the budget*

STATUS SB: Senate Ways & Means Committee – *May be necessary to implement the budget*

REVIEWING/CONCERNS:

1. HB 1460 – Concerning notice requirements for rent increases.

Makes the following changes to the current 30-day required notice period for rent increases for residential tenancies:

- Continues to require 30 days' written notice of a rent increase of 10 percent or less; and
- Requires 60 days' written notice of a rent increase of more than 10 percent.
- Preempts cities and counties from enacting, maintaining, or enforcing ordinances or other notice provisions for rent increases with respect to residential properties.

Sponsors: *Representatives Barkis, Reeves, Kirby, Jenkin, Walsh, Stokesbary, Hoff, Gildon, Chambers, Griffey, Dye, Vick, Volz, Irwin*

STATUS: **DEAD** - House Civil Rights & Judiciary Committee

2. HB 1462 = Providing notice of plans to demolish, substantially rehabilitate, or change use of residential premises.

- Requires that a landlord provide at least 120 days' written notice before termination of a tenancy when planning to demolish or substantially rehabilitate premises or planning a change of use of premises t before termination of a tenancy.
- Defines "change of use", "demolish", and "substantially rehabilitate" as follows:
 - "Change of use" means conversion from residential to nonresidential, conversion from one type of residential use to another, and conversion following removal of use restrictions that results in displacement of a tenant.
 - "Demolish" means destruction of premises or relocation of premises and that results in displacement of a tenant.
 - "Substantially rehabilitate" means extensive structural repair or remodeling that requires certain permits and that results in displacement of a tenant.

Why does this have to be 120 days? What about change of use makes it harder for the tenant to find a new place than any other tenant? Why should a landlord with a 4 plex for example be required to risk say 2 or 3 of the tenants moving out leaving only one paying tenant for a full 6 months while the landlord still has to make the mortgage every month? This makes no sense other than the singular reason that they may think if this is done on large scale there just may not be enough vacant units in the area to house the displaced tenants but that seems like long odds and not worth small landlords carrying mortgages for a tremendously long time without rents coming in. Only way we support this is if it is only effective for landlords displacing more than a certain number of tenants such as 30 doors.

Sponsors: *Representatives Barkis, Reeves, Kirby, Riccelli, Jenkin, Stokesbary, Gildon, Walsh, Chambers, Dye, Hoff, Volz, Irwin*

STATUS: House Floor

3. HB 1461 = Concerning notices for termination of a residential tenancy.

- Increases the required notice period given by either the landlord or the tenant to terminate a periodic or month-to-month residential tenancy from 20 days to 30 days preceding the end of any of the months or periods of tenancy,
- Amends the exception applicable to members of the armed forces to conform to the longer notice period by providing that any tenant who is a member of the armed forces may terminate a rental agreement with less than 30 days' (rather than less than 20 days') notice if the tenant receives reassignment or deployment orders that do not allow a 30 day (rather than 20 day) notice.
- WLA is fine with this only if both conditions are met. It must be calendar days and calendar days cannot be redefined to really be court days.
- Secondly, the language requiring it be effective on the last day of the rental period must be removed or the 30 calendar days will only mean 30 days plus also end on the last day of the rental period. That would mean before rent is due for next month, we would have to give notice terminating the month after that.

Sponsors: *Representatives Barkis, Reeves, Kirby, Jenkin, Stokesbary, Walsh, Gildon, Hoff, Dye, Chambers, Griffey, Volz, Irwin*

STATUS: **DEAD** - House Civil Rights & Judiciary Committee – Awaiting hearing

4. HB 1463 – Changing notice requirements with respect to tenancies in order to enhance stability for tenants.

Makes the following changes with respect to notices required under the Residential Landlord Tenant Act:

- Provides that a tenant is guilty of unlawful detainer when:
 - A notice to pay rent or vacate has remained uncompiled with for the period of 5 days (rather than 3 days) after service. *We are ok with this if it is for any amounts due and not just rents.*
 - The 10-day Notice is changed to 5-days. *We are fine with this part and would even be ok leaving it 10 for everything except payments of anything due which should be 5.*
 - The tenant remains in possession after the service of a 5-day (rather than 3-day) notice regarding waste or nuisance. *This statute also includes criminal activity. Why would we want to get drug dealers and other criminals or people that are destroying the rental property extra time?*
 - A person who, without permission of the owner and without color of title, fails or refuses to remove from the property after the service of a 5-day (rather than 3-day) notice. *These are squatters with no permission to be there. Why would we want to increase their stay by 2 days?*
- Requires that every notice served be accompanied by a "Notice to Tenants" that suggests that they may want to consult the Housing Information Guide (Guide) prepared by the Department of Commerce (Commerce) which contains tenant resources.
 - Commerce will maintain a Guide (in English, Spanish, and other languages at the discretion of Commerce) on its website for tenants and owners
 - Requires landlords to provide copies of the Guide to each tenant at the commencement of the tenancy. *We would only support this if it's an attachment that is maintained by commerce and that if commerce makes a mistake it cannot be a jurisdictional defect that causes the landlord to lose the case. Presently notices must be perfect, more or less, and if commerce has outdated info that could cause a landlord to lose a lawsuit and pay the other sides attorney fees for no fault of their own.*

Sponsors: *Representatives Barkis, Reeves, Kirby, Jenkin, Walsh, Stokesbary, Gildon, Chambers, Griffey, Dye, Hoff, Vick, Volz, Irwin*

STATUS: **DEAD** - House Civil Rights & Judiciary Committee



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