



# 2022 SESSION REVIEW

## Landlord-Tenant

### Key changes

- The COVID-19 eviction moratorium formally ended on October 31<sup>st</sup>, 2021.
- Continued, significant loss of single-family home rentals due to recent state and local mandates on landlords.
- Additional funding for rental assistance for both tenants and property owners.
- The Landlord Mitigation Fund was expanded to assist victims fleeing domestic violence.
- Allows a landlord to offer a fee in lieu of a security deposit to obtain rental damage insurance.

### Background

The impacts of COVID-19 and poor policy combined have created havoc on tenant-landlord issues in recent years. With the COVID-19 eviction moratoriums formally ended on October 31<sup>st</sup>, 2021, we are just now getting a clearer picture on the true impacts that recent burdensome legislation has had on the rental housing market. Landlords are fleeing the market at unprecedented rates in a housing market which ranks 50th in the nation for available housing units per household. This means that already short rental supplies are becoming more strained, and available rental properties become even more expensive. The 2022 legislative session was a silver lining in what has been a dismal record of late on landlord-tenant issues, with damaging “tenant protection” legislation commonly dying before making it to the floor. However, little was done to ease the large burdens already faced by landlords which have become major drivers of the current rental housing exodus.

### Bills

- ✓ [House Bill 1593](#) (Leavitt) – **Landlord Mitigation Fund/Victims of Domestic Violence.** Allows a landlord to access the Landlord Mitigation Fund when a tenant vacates due to domestic violence, sexual assault, abuse, or stalking, pursuant to the RLTA. A landlord may pursue claims of up to \$5,000 from the Landlord Mitigation Fund. *Passed House 96-0. Signed by Governor. Effective dates vary by section, between June 9 - July 1, 2022.*
- ✓ [House Bill 2064](#) (Peterson) – **Damage Deposit Alternative.** Allows a landlord to charge a fee, in lieu of a damage deposit, in order to purchase insurance covering rental unit damage or unpaid rent. *Passed House 98-0. Signed by Governor. Effective June 9, 2022.*
- ✓ [Senate Bill 5749](#) (Tredeau) – **Rent Payment Methods.** Residential and manufactured/mobile home landlords must accept personal checks, cashier’s checks, or money orders for any payment of rent made by a tenant. These payments must also be accepted by mail unless an on-site location for rental payments is made available. If a tenant’s check is returned for insufficient funds, the landlord can choose not to accept payment by personal check for 9 months from that tenant. *Passed House 91-5. Signed by Governor. Effective June 9, 2022.*
- ✓ [Senate Bill 5758](#) (Gildon) – **Condominium Conversions.** The Housing Finance Commission must implement a condominium conversion tenant-to-homeowner program focused on first-time homeownership. The program must provide homeownership information and resources to tenants in multifamily buildings that are being converted to condominiums. The Commission also must refer tenants to its home loan and down payment assistance programs

and any applicable homebuyer education seminars available through local partnerships. *Passed House 98-0. Signed by Governor. Effective June 9, 2022.*

- ✘ [House Bill 1300](#) (Thai) – **Damage Claims**. Adds additional parameters for what a property owner can classify as damage for the purposes of keeping a tenant’s damage deposit. Allows a tenant to request a walkthrough of the premises not more than 30 days and not less than 14 days before the end of a rental agreement in which the property owner must provide a checklist of the damages of the premises. *Died in House Rules.*
- ✘ [House Bill 1904](#) (Pederson) – **Rent Increase and Late Fee Restrictions**. Requires that a landlord who seeks to raise rent by more than 7.5% must provide written notice to their tenant 180 to 220 days prior to the rental increase taking effect. The tenant would then be allowed to terminate their tenancy during this period by providing at least 45 days notice, only paying prorated amounts up to the day of termination of tenancy. *Died on House Floor Calendar.*
- ✘ [Senate Bill 5825](#) (Kuderer) – **Rental and Vacant Property Registration**. Directs the Department of Commerce to create a workgroup to make recommendations on creating a statewide rental and vacant property registration program. This workgroup would specifically look at current property programs, what property and landlord information should be collected, and other related issues. *Passed Senate 29-20; Died in House Rules.*
- ✘ [House Bill 2017](#) (Davis) – **Housing Justice Act**. Prohibits a landlord from implementing any policy or practice that would automatically exclude individuals with arrest records from rental housing or taking adverse action against a tenant based on their criminal records. Adverse action includes a wide array of common landlord practices, such as consideration of number of household members that may be living in the unit. If a landlord takes adverse action against the tenant pursuant to the bill, the landlord must provide written notice and reasoning to the tenant, as well as any screening report (if used). Any violation of this act would be a violation under the consumer protection act. *Died in House Housing, Human Services and Veterans Committee.*

## 2021-23 Budget information

**Emergency Rental and Utility Assistance** – Provides rental or utility payment assistance to eligible households at or below 80 percent of the area median who have missed or partially paid a rent or utility payment. Payments go directly to property owners or utility (\$1.1 billion state and federal)

**Landlord Mitigation Fund** – With the enactment of SB 5160, this fund allows property owners to apply for arrears accrued rent between March 1, 2020 and six months after the end of the moratorium in addition to current statutory allowances of the funds. Also provides landlords of tenants who receive a housing subsidy with up to \$1,000 for move-in upgrades, up to 14 days of lost rent, and up to \$5,000 for damage caused by a tenant. (\$41 million state and federal)

**Eviction Prevention Rental Assistance Program** – Provides resources to households most likely to become homeless or to suffer severe health consequences, or both, after an eviction while prioritizing households impacted by public health emergencies, homelessness, and housing instability. (\$134 million state and federal)

## Additional information

- Commerce COVID-19 Information Regarding Rent Assistance and Homelessness Prevention Programs <https://www.commerce.wa.gov/covid-19-homeless-services/>
- Local Housing Resources, contact your local housing authority <https://www.awha.org/find-a-housing-authority.html>
- Budget Information <http://leap.leg.wa.gov/leap/Budget/Detail/2022/cohSummary.pdf>



# 2021 SESSION REVIEW

## Landlord-Tenant

### Key changes

- The current eviction moratorium will end June 30, 2021.
- Just cause/forced lease renewal legislation was signed making it more difficult for property owners to remove tenants.
- Commerce will continue to roll out more rental assistance for both tenants and property owners.
- An additional \$100 document recording was tacked onto the current \$83 in document recording fees going toward various homeless housing programs.

### Background

Landlord-tenant issues have been a hot topic in the legislature for several years. A variety of factors have led to an affordable housing crisis: housing inventory is low while there is an increasing demand for housing, there are strict regulations on new construction and suburban development, and ever-changing laws require costly paperwork changes and other changes for property owners. COVID-19 exacerbated these issues which eventually led to the Governor's Eviction Moratorium prohibiting a property owner from asking or requiring a tenant to vacate the premises. The current moratorium is scheduled to end on June 30, 2021—15 months after it began.

### Bills

- ✓ [House Bill 1236](#) (Macri) – **Just Cause Eviction/Forced Renewal.** Outside of specific qualifications in a bill (e.g. the tenancies revert to an indefinite period/month-to-month after an agreement expires) a landlord must renew a tenant's lease unless one of 16 specified reasons is met. The same 16 reasons are required for a landlord to evict a tenant mid-tenancy. These reasons include failure to pay rent, the property owner or their immediate family taking over the residence, and if the owner decides to sell, among others. Property owners that fail to meet the requirements in the bill are subject to pay the greater of the tenant's economic and noneconomic damages or three times the monthly rent and reasonable attorneys' fees and costs. *Passed House 54-44. Signed by Governor. Effective May 10, 2021.*
- ✓ [House Bill 1277](#) (Ormsby) – **Adding an Additional Surcharge on the Document Recording Fee.** Establishes an additional \$100 surcharge on recorded documents to go to the Affordable Housing for All Account (housing and shelter for extremely low-income households), the Landlord Mitigation Fund (funds for lost rent and damage), the Home Security Fund Account (homeless housing program), and the Eviction Prevention Rental Assistance Program (foreclosure prevention services, rental assistance, and tenant education/legal assistance). *Passed House 57-39-2. Signed by Governor. Effective July 25, 2021.*
- ✓ [Senate Bill 5160](#) (Kuderer) – **Tenant Protections.** This bill ends the Governor's Eviction Moratorium on June 30, 2021. The bill also requires landlords to offer payment plans for unpaid rent during the state of emergency. Allows landlords to apply for funds in the Landlord Mitigation program for unpaid rent between March 1, 2020 and six months after the eviction moratorium. Creates a new process to evict tenants through a statewide Eviction Resolution Program as a two-year pilot to facilitate resolution of nonpayment of rent. Requires the courts to appoint counsel for indigent tenants facing eviction. *Passed House 72-26. Signed by Governor. Effective April 22, 2021.*

- ✓ [House Bill 1083](#) (Gregerson) – **Mobile Home Relocation Assistance for Park Closures.** Increases the amount eligible tenants can receive from the Relocation Assistance Program from \$12,000 to \$17,000 for a multi-section home and from \$7,500 to \$11,000 for a single section home with a phased-in approach requiring action within 90 days to get the full payment. *House Passed 98-0. Signed by Governor. Effective July 25, 2021.*
- ✗ [House Bill 1300](#) (Thai) – **Damage Claims.** Would have set additional parameters for when and what a property owner can classify as damage for the purposes of keeping a tenant’s damage deposit. Would have also allowed a tenant to request a walkthrough of the premises not more than 30 days and not less than 14 days before the end of a rental agreement in which the property owner must provide a checklist of the damages of the premises. *Died in House Rules.*

## Budget information

**Emergency Rental and Utility Assistance** – Provides rental or utility payment assistance to eligible households at or below 80 percent of the area median who have missed or partially paid a rent or utility payment. Payments go directly to property owners or utility (\$403,000,000 Coronavirus Recovery Account–Federal)

**Eviction Rental Assistance Program** – Provides rental payment assistance to eligible households at or below 80 percent of the area median income and who have a missed or partially paid rent payment. Rental payments made through the program will be provided directly to landlords. (\$30,000,000 CARES Act–Federal)

**Landlord Mitigation Fund** – With the enactment of SB 5160, this fund allows property owners to apply for arrears accrued rent between March 1, 2020 and six months after the end of the moratorium in addition to current statutory allowances of the funds. Also provides landlords of tenants who receive a housing subsidy with up to \$1,000 for move-in upgrades, up to 14 days of lost rent, and up to \$5,000 for damage caused by a tenant. (\$11,680,000 Coronavirus Recovery Account–Federal)

**Landlords Financial Hardship** – Provides grants to landlords who have encountered a significant financial hardship due to the eviction moratorium, are the sole investor in the property from which they are seeking rental arrears, own no more than six dwelling units from which they receive rental payments, and have an elective nonpayer tenant who is in arrears in rent or utilities or both. (\$2,000,000 CARES Act–Federal for FY21)

**Eviction Prevention Rental Assistance Program** – Provides resources to households most likely to become homeless or to suffer severe health consequences, or both, after an eviction while prioritizing households impacted by public health emergencies, homelessness, and housing instability. (\$88,800,000 General Fund–State)

**Housing/Homelessness Assistance** – Provides funding for nonprofit housing providers or public housing authorities housing services, rapid rehousing, emergency, housing, or acquisition. (\$133,200,000 General Fund–State)

**Permanent Supportive Housing O&M** – Provides funding for operations, maintenance, and service grants for subsidized, leased housing with no limit on the length of stay that prioritizes people who need comprehensive support services to retain tenancy also known as permanent supportive housing. (\$58,400,000 General Fund–State)

**Providing Lawyers for Indigent Tenants (SB 5160 Implementation)** – Commerce will provide a report by June 30, 2022 that will include the expenditures and outcomes of these efforts. (\$22,250,000 General Fund–State).

**Study of Incident Tenant Representation** – This study will look at the differences in outcomes for tenants facing eviction who receive legal representation and tenants facing eviction without legal representation in unlawful detainer cases filed under the residential landlord tenant act. (\$57,000 General Fund–State)

## Additional information

- Commerce COVID-19 Information Regarding Rent Assistance and Homelessness Prevention Programs <https://www.commerce.wa.gov/covid-19-homeless-services/>
- Local Housing Resources, contact your local housing authority <https://www.awha.org/find-a-housing-authority.html>