

Initiative Measure No. IL25-846

Filed June 21, 2024

AN ACT Relating to 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; amending RCW 59.18.140, 59.18.270, 59.18.170, 59.20.090, 59.20.170, 59.20.060, and 59.20.030; adding new sections to chapter 59.18 RCW; adding new sections to chapter 59.20 RCW; creating new sections; and prescribing penalties.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** (1) The People find that:

(a) The state is in a rental housing and homelessness crisis. Adequate numbers of homes have not been built to meet the urgent need to keep families, seniors, and Washington renters housed. According to the Private Equity Stakeholder Project's "Private Equity Risk Report" Washington scores among the highest, nationally, for private equity ownership including in housing with a sharp departure from mom and pop landlords to a more than 46 percent increase from 2018-2022 in homes purchased by institutional investors and private equity acquisition of rental properties. This has contributed to skyrocketing rents unsustainable by lower-income seniors on fixed incomes and lower and middle-income employed citizens who often work two and three jobs to remain housed. And according to the Washington department of commerce housing policy director, rising rents in every corner of the state are pricing low-

income residents out of housing. For people living on the margins, the income-to-housing cost math that worked for them five years ago no longer works. The lack of affordable housing results in alarmingly increased numbers of unsheltered and homeless as affirmed by data from state annual homeless counts albeit that estimates are believed to be undercounted. The "2023 Point in Time Count" conducted by the department of commerce estimated that 202,199 people in Washington households experienced homelessness or housing instability. The prior "2022 Point in Time Count" noted that due to the COVID-19 pandemic, there was no 2021 data. Yet, the update from 2020 to 2022 revealed the total Washington homeless population had alarmingly increased by 16 percent from 2020 to 2022. Therefore, the People find the state to be in a tenant rent and housing crisis emergency.

(b) Residential rents and manufactured/mobile home lot rents have increased at rates far outpacing inflation, wage growth, cost of living adjustments for programs like social security, and other standard economic metrics that drive price increases. During six months in 2023, the United States census bureau estimated that more than 900,000 Washington renters experienced a rent increase, of which 75 percent reported an increase of greater than \$100 and more than nine percent experienced an increase of more than \$500.

(c) Tenants in residential and manufactured/mobile home settings are subject to not only excessive rent increases but also to the addition of new recurring or periodic fees that drastically increase monthly housing costs. Tenants also experience arbitrary one-time fees or the addition of fees for services that were previously provided at no cost. Combined with rent increases, these fees create significant additional financial strains on tenant households, especially those on low fixed incomes. Manufactured/mobile home tenants experience unique amplified costs in that they own the structure over the rented lot space in a manufactured housing park and are responsible for its maintenance, electrical and plumbing repairs, and structural replacement costs for roofing, siding,

drywall, flooring; and essential appliances such as refrigerator, stove, water heater, and heating and cooling furnaces and heat pumps. Manufactured/mobile home tenants are also responsible for county property taxes. These costs are over and above the rent and what is expected of residential rentals.

(d) For more than one in three United States renter households, making energy-saving improvements may be difficult or even prohibited. Furthermore, it can be difficult for tenants in manufactured/mobile homes to afford the necessary changes to make their homes energy efficient. Nationally, renters have a median energy burden 13 percent higher than those who own (3.4 percent versus 3 percent), according to the American Council for an Energy-Efficient Economy. According to the Clean Energy Transition Institute, the energy burden for communities with more than 10 percent of manufactured homes ranges from two to eight percent, whereas for communities with fewer than 10 percent of manufactured homes, the energy burden ranges from one to five percent in Washington state.

(e) According to the "2022 American Community Survey," more than a quarter (26.5 percent) of renters in the state of Washington are over the age of 55. Households of color are disproportionately renters, and these households, as well as Hispanic households, are majority renter households. Furthermore, renters spend more of their income on housing costs and are more likely to be housing insecure than homeowners. In the 2022 survey, 49.2 percent of renters compared to only 23 percent of homeowners spent more than 30 percent of household income on housing costs in the prior 12 months.

(f) According to the "2024 Harvard University Joint Center for Housing Studies Report," cost burdens continue to climb the income scale. While all income groups had increasing cost-burden rates from 2019 to 2022, middle-income renters making \$45,000 to \$74,999 saw their cost-burdened share rise the fastest with a 5.4 percentage point increase to 41 percent. And the already high share of cost-burdened renter households earning less than \$30,000 annually rose

1.5 percentage points from 2019 to 2022, reaching 83 percent. The report further found that lower-income senior renter households experience extreme economic vulnerability. Compared to all renter populations, lower-income households are more likely headed by the elderly. Specifically, 28 percent of these households are headed by someone at least 65 years old, which is 11 percentage points higher than the rate for all renter households. Additionally, 16 percent of renter households are headed by individuals aged 55 to 64. The result of this older age distribution is a high (59 percent) proportion of single-person households and that single persons had a higher degree of vulnerability. The report also found that extreme weather variability and rising temperatures caused by climate change are expected to increase home energy demand and, in turn, renters' housing costs. About half of renters making less than \$30,000 (8,400,000 households) experienced energy insecurity in 2020. Manufactured/mobile home tenants are especially vulnerable to climate change impacts with increased heating and cooling costs adding to high rent increases of 18 to 50 percent.

(g) Housing insecurity is also a public health crisis that causes and worsens health problems and drives health inequities. Renter households are forced to make tough and often impossible decisions between paying the rent and paying for healthcare necessities such as medicine, medical aids for the elderly such as oxygen, wheelchairs, walkers, bathing aids, special medical beds, and transportation. A 2015 study, "Preventing Chronic Disease: Public Health Research, Practice and Policy" examined the association between housing insecurity and health outcomes and unhealthy behaviors in Washington state. In that study, those who were housing insecure were more likely than those who were not to report the following even after adjusting for demographics and socioeconomic measures: Delaying doctors' visits, poor or fair health, and 14 days or more of poor health or mental health limiting daily activity in the past 30 days.

(h) Excessive rent increases force renter households, including

families, seniors, and young people, to lose housing opportunities with many becoming displaced or homeless. According to state estimates, people in temporary or emergency housing or without shelter have increased 52 percent in a decade. Washington reports disturbingly high numbers of unsheltered children and youth. A new report finds the number of homeless students in Washington's school system steeply climbed last year. Data from the Washington office of superintendent of public instruction shows that 3.8 percent, or 42,436 Washington students, experienced homelessness during the 2022-2023 school year. Most students experiencing homelessness, 76 percent, share housing with other people due to loss of housing or economic hardship. More than 10 percent live in shelters, and another 6 percent live in hotels or motels. Almost 7 percent of these children are considered unsheltered, living in cars, parks, campgrounds, or abandoned buildings.

(i) Further, due to excessive rent increases, renter households are increasingly unable to afford housing in communities of opportunity and are forced to move away from their communities for employment. Communities, employers, and workers all suffer when businesses cannot retain or hire staff because workers cannot find affordable rental homes near their jobs and offices, a phenomenon especially common for the service industry in heavy tourism areas. According to the census, 46.6 percent of renters spent more than 30 percent of household income on housing costs in the prior 12 months contrasted with homeowners who only spent 22.8 percent of household income on housing costs.

(2) Therefore, the People declare a failure to act urgently to protect Washingtonians from excessive rent increases will result in continued harm, displacement, compounded health issues, and homelessness for untold thousands of residents. The massive displacement includes families with children and disproportionately includes vulnerable seniors on low fixed incomes who are the fastest-growing homeless demographic. Hispanics, and according to the "Harvard University Joint Center for Housing Studies Report,"

Black and American Indian/Alaska Native households are also disproportionately impacted due to generational inequity. State homelessness reports note that despite comprising only four percent of Washington's population, Black or African American residents comprise about 18 percent of the homeless population. Similarly, American Indian/Alaska Natives who comprise only two percent of the population are disproportionately impacted with 13 percent experiencing homelessness.

The alarming homelessness crisis and the housing insecurity suffered by all impacted Washington renter households are intolerable when considering housing and shelter as essential and basic to human health and survival. Therefore, the People intend to enact rent fairness and stabilization policies to preserve the public peace, health, and safety of the state and people by providing Washington renters with predictability, transparency, fairness, economic security, and the same protections afforded to other consumers.

PART I

RESIDENTIAL LANDLORD-TENANT ACT

NEW SECTION. **Sec. 101.** A new section is added to chapter 59.18 RCW to read as follows:

(1) Except as authorized by an exemption under section 102 of this act, a landlord may not increase the rent and fees combined for any type of tenancy, including short-term rentals and vacation rentals, regardless of whether the tenancy is month-to-month or for a term greater or lesser than month-to-month:

(a) During the first 12 months after the tenancy begins; and

(b) During any 12 month-period, in an amount greater than three percent.

(2) If a landlord increases the rent and fees combined above the amount allowed in subsection (1) of this section as authorized by an exemption under section 102 of this act, the landlord must include facts supporting any claimed exemptions in the written

notice of the rent increase. Notice must comply with this section, section 103 of this act, RCW 59.18.140, and be served in accordance with RCW 59.12.040.

(3) If a landlord increases rent and fees combined above the amount allowed in subsection (1) of this section and is not authorized by an exemption under section 102 of this act, the tenant may, in addition to any other remedies or relief available under this chapter or other law, terminate the rental agreement at any time prior to the effective date of the increase by providing the landlord with written notice at least 20 days before terminating the rental agreement. If a tenant terminates a rental agreement under this subsection, the tenant only owes pro rata rent through the date upon which the tenant vacates the dwelling unit. A landlord may not charge a tenant any fines or fees for terminating a rental agreement under this subsection.

(4) A landlord may not charge a higher rent or fees or include terms of payment or other material 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 than month-to-month, or vice versa.

(5) A landlord who engages in practices in violation of this section, section 102 of this act, section 103 of this act, RCW 59.18.140, 59.18.170, 59.18.200, 59.18.270, or 59.18.650 is liable for:

(a) Damages in the amount of any excess rent, fees, or other costs paid by the tenant;

(b) Mandatory damages equal to three months of any unlawful rent, fees, or other costs charged by the landlord; and

(c) Reasonable attorneys' fees and costs incurred in bringing the action.

(6) The remedies provided by this section are in addition to any other remedies provided by law, including the remedies provided for in section 104 of this act.

(7) It is a defense to an eviction or other legal action that

the action to remove the tenant and recover possession of the premises was for nonpayment of rent or fees that were unlawfully increased in violation of this section.

(8) A landlord may not report the tenant to a tenant screening service provider for failure to pay rent or fees that were unlawfully increased in violation of this section.

(9) A local government may adopt policies, ordinances, or other regulations to enforce this act.

NEW SECTION. **Sec. 102.** A new section is added to chapter 59.18 RCW to read as follows:

(1) A landlord may increase rent and fees combined in an amount greater than allowed under section 101 of this act only as authorized by the exemptions described in this section.

(a) If the first certificate of occupancy for the dwelling unit was issued 10 or less years before the date of the notice of the rent increase, rent and fee increases for the dwelling unit are not limited by section 101 of this act.

(b) Rent and fee increases are not limited by section 101 of this act for any of the following:

(i) A tenancy in a dwelling unit owned by a:

(A) Public housing authority;

(B) Public development authority;

(C) Nonprofit organization, where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements; or

(D) Nonprofit entity, as defined in RCW 84.36.560, where a nonprofit organization, housing authority, or public development authority has the majority decision-making power on behalf of the general partner, and where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements; or

(ii) Tenancies in a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by any of the

organizations described in (b) (i) (A) through (D) of this subsection.

(c) Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains a principal residence at the residential real property are not limited by section 101 of this act.

(d) Single-family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms including, but not limited to, an attached or detached accessory dwelling unit, are not limited by section 101 of this act.

(e) A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues the occupancy, is not limited by section 101 of this act.

(2) Subsection (1) (c) through (e) of this section only apply where the owner is not any of the following:

(a) A real estate investment trust, as defined in section 856 of the internal revenue code;

(b) A corporation; or

(c) A limited liability company in which at least one member is a corporation.

NEW SECTION. **Sec. 103.** A new section is added to chapter 59.18 RCW to read as follows:

(1) A landlord must provide a tenant with annual notice of rent and fee increases in substantially the following form. Notice under this section must comply with the requirements in RCW 59.18.140 and be served in accordance with RCW 59.12.040.

(2) The annual notice of rent increase requirement in this section does not apply if the rental agreement governs a subsidized tenancy where the amount of rent is based on, in whole or in part, a percentage of the income of the tenant or other circumstances specific to the subsidized household. However, for purposes of this section, a subsidized tenancy does not include tenancies where some

or all of the rent paid to the landlord comes from a portable tenant-based voucher or similar portable assistance administered through a housing authority or other state or local agency, or tenancies in other types of affordable housing where maximum unit rents are limited by area median income levels and a tenant's base rent does not change as the tenant's income does.

"TO TENANT(S): (tenant name(s))

AT ADDRESS: (tenant address)

RENT AND FEE INCREASE NOTICE TO TENANTS

This notice is required by Washington state law to inform you of your rights regarding rent and fee increases. Washington state limits how much your landlord can raise your rent and fees.

(1) Your landlord can raise your rent and fees combined once every 12 months by up to three percent, as allowed by section 101 of this act. Your landlord is not required to raise the rent or fees by any amount.

(2) Your landlord may be exempt from the three percent limit on rent and fee increases for the reasons described in section 102 of this act. If your landlord claims an exemption, your landlord is required to include supporting facts with this notice.

(3) Your landlord must properly and fully complete the form below to notify you of any rent and fee increases and any exemptions claimed.

Your landlord (name) intends to (check one of the following):

Raise your rent and/or fees: Your total rent and fee increase effective (date) will be (percent), which totals an additional \$(dollar amount) per month, for a new total amount of \$(dollar amount) per month for rent and fees combined.

This rent and/or fee increase is allowed by state law and is (check one of the following):

A lower rent and/or fee increase than the maximum allowed by state law.

The maximum rent and/or fee increase allowed by state law.

Authorized by an exemption under section 102 of this act. If

the rent and/or fee increase is authorized by an exemption, your landlord must fill out the section of the form below.

EXEMPTIONS CLAIMED BY LANDLORD

Under penalty of perjury, I (landlord name) certify that I am allowed under Washington state law to raise your rent and fees by (percent), which is more than the maximum increase otherwise allowed by state law, because I am claiming the following exemption under section 102 of this act (check one of the following):

The first certificate of occupancy for your dwelling unit was issued on (insert date), which is 10 or less years before the date of this rent and fee increase notice, so the maximum allowable rent and fee increase limit in section 101 of this act does not apply. (The landlord must include facts or attach documents supporting the exemption.)

You live in a dwelling unit owned by a public housing authority, public development authority, or nonprofit organization where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements, or a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by a public housing authority, public development authority, or nonprofit organization.

You live in a housing accommodation in which you share bathroom or kitchen facilities with the owner, and the owner maintains a principal residence at the residential real property. (The landlord must include facts or attach documents supporting the exemption.)

You live in a single-family residence in which the owner leases no more than two units or bedrooms including, but not limited to, an attached or detached accessory dwelling unit. (The landlord must include facts or attach documents supporting the exemption.)

You live in a duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, and the owner continues in occupancy."

NEW SECTION. Sec. 104. A new section is added to chapter 59.18 RCW to read as follows:

The people find that the practices covered by section 101 of this act, section 102 of this act, section 103 of this act, RCW 59.18.140, 59.18.170, 59.18.200, 59.18.270, and 59.18.650 are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of section 101 of this act, section 102 of this act, section 103 of this act, RCW 59.18.140, 59.18.170, 59.18.200, 59.18.270, or 59.18.650 by a landlord is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

NEW SECTION. Sec. 105. A new section is added to chapter 59.18 RCW to read as follows:

(1) The department of commerce shall create an online landlord resource center to distribute information to landlords about available programs and resources including, but not limited to, the following:

- (a) The landlord mitigation program created in RCW 43.31.605;
- (b) The low-income residential weatherization programs created in chapter 70A.35 RCW;
- (c) The model lease provisions regarding rent and fee increases created by the attorney general's office under subsection (2) of this section;
- (d) Local government resources; and
- (e) Any other programs and resources that the department determines are relevant.

(2) (a) The attorney general, in consultation with appropriate stakeholders, shall publish model lease provisions regarding rent and fee increases that comply with the requirements in this chapter.

- (b) The model lease provisions regarding rent and fee increases

must be published in the top 10 languages spoken in Washington state and, at the discretion of the office of the attorney general, other languages.

(c) The office of the attorney general shall publish the model lease provisions regarding rent and fee increases in the following formats:

(i) A full digital version available on the office of the attorney general's website; and

(ii) Hard copy versions made available upon request to landlords, tenants, and any other relevant entities identified by the office of the attorney general.

(d) The office of the attorney general shall publish the first version of the model lease provisions regarding rent and fee increases by January 1, 2026, and shall periodically publish new versions of the model lease provisions as necessary to incorporate any relevant changes made to this chapter.

Sec. 106. RCW 59.18.140 and 2019 c 105 s 1 are each amended to 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) Except for termination of tenancy and an increase in the amount of rent, after ((thirty)) 30 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.

(3) (a) Except as provided in (b) and (c) of this subsection, a landlord shall provide a minimum of ((sixty)) 60 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 (()) 30 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.

(c) If a landlord intends to increase the rent and fees combined in an amount of three percent or more, the landlord must provide written notice to each affected tenant a minimum of 180 days before the effective date of the increase. This subsection (3) (c) does not apply to any tenancy in a dwelling unit qualifying for an exemption under section 102(1) (b) of this act.

Sec. 107. RCW 59.18.270 and 2011 c 132 s 14 are each amended to read as follows:

(1) If a landlord charges a tenant any move-in fees or security deposits, the move-in fees and security deposits combined may not exceed one month's rent.

(2) All moneys paid to the landlord by the tenant as a deposit as security for performance of the tenant's obligations in a lease or rental agreement shall promptly be deposited by the landlord in a trust account, maintained by the landlord for the purpose of holding such security deposits for tenants of the landlord, in a financial institution as defined by RCW (()) 30A.22.041 or licensed escrow agent located in Washington. Unless otherwise agreed in writing, the landlord shall be entitled to receipt of interest paid on such trust account deposits. The landlord shall provide the tenant with a written receipt for the deposit and shall provide written notice of the name and address and location of the depository and any

subsequent change thereof. If during a tenancy the status of landlord is transferred to another, any sums in the deposit trust account affected by such transfer shall simultaneously be transferred to an equivalent trust account of the successor landlord, and the successor landlord shall promptly notify the tenant of the transfer and of the name, address, and location of the new depository. If, during the tenancy, the tenant's dwelling unit is foreclosed upon and the tenant's deposit is not transferred to the successor after the foreclosure sale or other transfer of the property from the foreclosed-upon owner to a successor, the foreclosed-upon owner shall promptly refund the full deposit to the tenant immediately after the foreclosure sale or transfer. If the foreclosed-upon owner does not either immediately refund the full deposit to the tenant or transfer the deposit to the successor, the foreclosed-upon owner is liable to the tenant for damages up to two times the amount of the deposit. In any action brought by the tenant to recover the deposit, the prevailing party is entitled to recover the costs of suit or arbitration, including reasonable attorneys' fees. The tenant's claim to any moneys paid under this section shall be prior to that of any creditor of the landlord, including a trustee in bankruptcy or receiver, even if such moneys are commingled.

(3) Subsection (1) of this section does not apply if the rental agreement governs a subsidized tenancy where the amount of rent is based on, in whole or in part, a percentage of the income of the tenant or other circumstances specific to the subsidized household. However, for purposes of this section, a subsidized tenancy does not include tenancies where some or all of the rent paid to the landlord comes from a portable tenant-based voucher or similar portable assistance administered through a housing authority or other state or local agency, or tenancies in other types of affordable housing where maximum unit rents are limited by area median income levels and a tenant's base rent does not change as the tenant's income does.

Sec. 108. RCW 59.18.170 and 2020 c 177 s 1 are each amended to read as follows:

(1) If at any time during the tenancy the tenant fails to carry out the duties required by RCW 59.18.130 or 59.18.140, the landlord may, in addition to pursuit of remedies otherwise provided by law, give written notice to the tenant of said failure, which notice shall specify the nature of the failure.

(2) The landlord may not charge a late fee for rent that is paid within five days following its due date. If rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. Late fees may not exceed 1.5 percent of the tenant's total rent per month. Nothing in this subsection prohibits a landlord from serving a notice to pay or vacate at any time after the rent becomes due.

(3) When late fees may be assessed after rent becomes due, 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 is not received until after the date rent is due in the rental agreement.

The proposed rent due date may not be more than five days after the date the rent is due in the rental agreement. Nothing in this subsection shall be construed to prevent a tenant from making a request for reasonable accommodation under federal, state, or local law.

PART II

MANUFACTURED/MOBILE HOME LANDLORD-TENANT ACT

NEW SECTION. **Sec. 201.** A new section is added to chapter 59.20 RCW to read as follows:

(1) Except as authorized by an exemption under section 202 of this act and as provided in RCW 59.20.060(2)(c), a landlord may not increase the rent and fees combined for any type of tenancy,

including short-term rentals and vacation rentals, regardless of whether the tenancy is month-to-month or for a term greater or lesser than month-to-month:

(a) During the first 12 months after the tenancy begins; and

(b) During any 12-month period, in an amount greater than three percent.

(2) If a landlord increases the rent and fees combined above the amount allowed in subsection (1) of this section as authorized by an exemption under section 202 of this act, the landlord must include facts supporting any claimed exemptions in the written notice of the rent increase. Notice must comply with this section, section 203 of this act, RCW 59.20.090(2), and be served in accordance with RCW 59.12.040.

(3) If a landlord increases rent and fees combined above the amount allowed in subsection (1) of this section and are not authorized by an exemption under section 202 of this act, the tenant may, in addition to any other remedies or relief available under this chapter or other law, terminate the rental agreement at any time prior to the effective date of the increase by providing the landlord with written notice at least 30 days before terminating the rental agreement. If a tenant terminates a rental agreement under this subsection, the tenant only owes pro rata rent through the date upon which the tenant vacates the dwelling unit. A landlord may not charge a tenant any fines or fees for terminating a rental agreement under this subsection.

(4) A landlord may not charge a higher rent or fees or include terms of payment or other material 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 than month-to-month, or vice versa.

(5) A landlord who engages in practices in violation of this section, section 202 of this act, section 203 of this act, RCW 59.20.060, 59.20.090, or 59.20.170 is liable for:

(a) Damages in the amount of any excess rent, fees, or other

costs paid by the tenant;

(b) Mandatory damages equal to three months of any unlawful rent, fees, or other costs charged by the landlord; and

(c) Reasonable attorneys' fees and costs incurred in bringing the action.

(6) The remedies provided by this section are in addition to any other remedies provided by law, including the remedies provided for in section 204 of this act.

(7) It is a defense to an eviction or other legal action that the action to remove the tenant and recover possession of the premises was for nonpayment of rent or fees that were unlawfully increased in violation of this section.

(8) A landlord may not report a tenant to a tenant screening service provider for failure to pay rent or fees that were unlawfully increased in violation of this section.

(9) A local government may adopt policies, ordinances, or other regulations to enforce this act.

NEW SECTION. Sec. 202. A new section is added to chapter 59.20 RCW to read as follows:

(1) A landlord may increase rent and fees combined in an amount greater than allowed under section 201 of this act only as authorized by the exemptions described in this section or as provided in RCW 59.20.060(2)(c).

(2) Rent and fee increases are not limited by section 201 of this act for any of the following:

(a) A tenancy in a manufactured/mobile home owned by a:

(i) Public housing authority;

(ii) Public development authority; or

(iii) Nonprofit organization, where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements; or

(b) Tenancies in a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by any of the

organizations described in (a)(i) through (iii) of this subsection.

(3) During the first 12 months after the qualified sale of a manufactured/mobile home community to an eligible organization as defined in RCW 59.20.030 whose mission aligns with the long-term preservation and affordability of the manufactured/mobile homecommunity, the eligible organization may increase the annual rent and fees combined for the manufactured/mobile home community in an amount greater than allowed under section 201 of this act as needed to cover the cost of purchasing the manufactured/mobile home community if the increase is approved by vote or agreement with the majority of the manufactured/mobile home owners in the manufactured/mobile home community.

NEW SECTION. **Sec. 203.** A new section is added to chapter 59.20 RCW to read as follows:

(1) A landlord must provide a tenant with annual notice of rent and fee increases in substantially the following form. Notice under this section must comply with the requirements in RCW 59.20.090(2) and be served in accordance with RCW 59.12.040.

(2) The annual notice of rent increase requirement in this section does not apply if the rental agreement governs a subsidized tenancy where the amount of rent is based on, in whole or in part, a percentage of the income of the tenant or other circumstances specific to the subsidized household. However, for purposes of this section, a subsidized tenancy does not include tenancies where some or all of the rent paid to the landlord comes from a portable tenant-based voucher or similar portable assistance administered through a housing authority or other state or local agency, or tenancies in other types of affordable housing where maximum unit rents are limited by area median income levels and a tenant's base rent does not change as the tenant's income does.

"TO TENANTS: (tenant name(s))

AT ADDRESS: (tenant address)

RENT AND FEE INCREASE NOTICE TO TENANTS

This notice is required by Washington state law to inform you

of your rights regarding rent and fee increases. Washington state limits how much your landlord can raise your rent and fees.

(1) Your landlord can raise your rent and fees combined once every 12 months by up to three percent, as allowed by section 201 of this act. Your landlord is not required to raise the rent or fees by any amount.

(2) Your landlord may be exempt from the three percent limit on rent and fee increases for the reasons described in section 202 of this act. If your landlord claims an exemption, your landlord is required to include supporting facts with this notice.

(3) Your landlord must properly and fully complete the form below to notify you of any rent and fee increases and any exemptions claimed.

Your landlord (name) intends to (check one of the following):

Raise your rent and/or fees: Your total rent and fee increase effective (date) will be (percent), which totals an additional \$(dollar amount) per month, for a new total amount of \$(dollar amount) per month for rent and fees combined.

This rent and/or fee increase is allowed by state law and is (check one of the following):

A lower rent and/or fee increase than the maximum allowed by state law.

The maximum rent and/or fee increase allowed by state law.

Authorized by an exemption under section 202 of this act. If the rent and/or fee increase is authorized by an exemption, your landlord must fill out the section of the form below.

EXEMPTIONS CLAIMED BY LANDLORD

Under penalty of perjury, I (landlord name) certify that I am allowed under Washington state law to raise your rent and fees by (percent), which is more than the maximum increase otherwise allowed by state law, because I am claiming the following exemption under section 202 of this act (check one of the following):

You live on a manufactured/mobile home lot operated by a public housing authority, public development authority, or nonprofit

organization where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements, or a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by a public housing authority, public development authority, or nonprofit organization.

__ You live in a manufactured/mobile home community that was purchased during the past 12 months by an eligible organization as defined in RCW 59.20.030 whose mission aligns with the long-term preservation and affordability of your manufactured/mobile home community, so the eligible organization may increase the annual rent and fees combined for your manufactured/mobile home community in an amount greater than allowed under section 201 of this act as needed to cover the cost of purchasing your manufactured/mobile home community if the increase is approved by vote or agreement with the majority of the manufactured/mobile home owners in your manufactured/mobile home community. (The landlord must include facts or attach documents supporting the exemption.)"

NEW SECTION. **Sec. 204.** A new section is added to chapter 59.20 RCW to read as follows:

The people find that the practices covered by section 201 of this act, section 202 of this act, section 203 of this act, RCW 59.20.060, 59.20.090, and 59.20.170 are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of section 201 of this act, section 202 of this act, section 203 of this act, RCW 59.20.060, 59.20.090, or 59.20.170 by a landlord is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

Sec. 205. RCW 59.20.090 and 2019 c 23 s 5 are each amended to read as follows:

(1) Unless otherwise agreed rental agreements shall be for a term of one year. Any rental agreement of whatever duration shall be automatically renewed for the term of the original rental agreement unless a different specified term is agreed upon.

(2) ~~(())~~ (a) Except as provided in (b) of this subsection, a landlord seeking to increase the rent upon expiration of the term of a rental agreement of any duration shall notify the tenant in writing three months prior to the effective date of any increase in rent.

(b) If a landlord intends to increase the rent and fees combined in an amount of three percent or more, the landlord must provide written notice to each affected tenant a minimum of 180 days before the effective date of the increase. This subsection (2) (b) does not apply to any tenancy in a manufactured/mobile home lot that qualifies for an exemption under section 202(1) of this act.

(3) ~~((A))~~ Except as provided in subsection (4) of this section, a tenant shall notify the landlord in writing one month prior to the expiration of a rental agreement of an intention not to renew.

(4) (a) The tenant may terminate the rental agreement upon ~~((thirty))~~ 30 days written notice whenever a change in the location of the tenant's employment requires a change in his or her residence, and shall not be liable for rental following such termination unless after due diligence and reasonable effort, the landlord is not able to rent the mobile home lot at a fair rental. If the landlord is not able to rent the lot, the tenant shall remain liable for the rental specified in the rental agreement until the lot is rented or the original term ends.

(b) Any tenant who is a member of the armed forces, including the national guard and armed forces reserves, or that tenant's spouse or dependent, may terminate a rental agreement with less than ~~((thirty))~~ 30 days' notice if the tenant receives permanent change of station or deployment orders which do not allow greater notice. The service member shall provide the landlord a copy of the official military orders or a signed letter from the service member's

commanding officer confirming any of the following criteria are met:

(i) The service member is required, pursuant to permanent change of station orders, to move (~~(thirty-five)~~) 35 miles or more from the location of the rental premises;

(ii) The service member is prematurely or involuntarily discharged or released from active duty;

(iii) The service member is released from active duty after having leased the rental premises while on active-duty status and the rental premises is (~~(thirty-five)~~) 35 miles or more from the service member's home of record prior to entering active duty;

(iv) After entering into a rental agreement, the commanding officer directs the service member to move into government-provided housing;

(v) The service member receives temporary duty orders, temporary change of station orders, or state active-duty orders to an area (~~(thirty-five)~~) 35 miles or more from the location of the rental premises, provided such orders are for a period not less than (~~(ninety)~~) 90 days; or

(vi) The service member has leased the property, but prior to taking possession of the rental premises, receives change of station orders to an area that is (~~(thirty-five)~~) 35 miles or more from the location of the rental premises.

Sec. 206. RCW 59.20.170 and 2004 c 136 s 2 are each amended to read as follows:

(1) If a landlord charges a tenant any move-in fees or security deposits, the move-in fees and security deposits combined may not exceed one month's rent.

(2) All moneys paid to the landlord by the tenant as a deposit as security for performance of the tenant's obligations in a rental agreement shall promptly be deposited by the landlord in a trust account, maintained by the landlord for the purpose of holding such security deposits for tenants of the landlord, in a financial institution as defined by RCW (~~(30.22.041)~~) 30A.22.041 or licensed

escrow agent located in Washington. (~~Except as provided in subsection (2) of this section, unless~~) Unless otherwise agreed in writing, the landlord shall be entitled to receipt of interest paid on such trust account deposits. The landlord shall provide the tenant with a written receipt for the deposit and shall provide written notice of the name and address and location of the depository and any subsequent change thereof. If during a tenancy the status of landlord is transferred to another, any sums in the deposit trust account affected by such transfer shall simultaneously be transferred to an equivalent trust account of the successor landlord, and the successor landlord shall promptly notify the tenant of the transfer and of the name, address and location of the new depository. The tenant's claim to any moneys paid under this section shall be prior to that of any creditor of the landlord, including a trustee in bankruptcy or receiver, even if such moneys are commingled.

~~((2) All moneys paid, in excess of two months' rent on the mobile home lot, to the landlord by the tenant as a deposit as security for performance of the tenant's obligations in a rental agreement shall be deposited into an interest-bearing trust account for the particular tenant. The interest accruing on the deposit in the account, minus fees charged to administer the account, shall be paid to the tenant on an annual basis. All other provisions of subsection (1) of this section shall apply to deposits under this subsection.))~~

Sec. 207. RCW 59.20.060 and 2023 c 40 s 3 are each amended to read as follows:

(1) Any mobile home space tenancy regardless of the term, shall be based upon a written rental agreement, signed by the parties, which shall contain:

(a) The terms for the payment of rent, including time and place, and any additional charges to be paid by the tenant. Additional charges that occur less frequently than monthly shall be

itemized in a billing to the tenant;

(b) Reasonable rules for guest parking which shall be clearly stated;

(c) The rules and regulations of the park;

(d) The name and address of the person who is the landlord, and if such person does not reside in the state there shall also be designated by name and address a person who resides in the county where the mobile home park is located who is authorized to act as agent for the purposes of service of notices and process. If no designation is made of a person to act as agent, then the person to whom rental payments are to be made shall be considered the agent;

(e) The name and address of any party who has a secured interest in the mobile home, manufactured home, or park model;

(f) A forwarding address of the tenant or the name and address of a person who would likely know the whereabouts of the tenant in the event of an emergency or an abandonment of the mobile home, manufactured home, or park model;

(g) A statement that: "The park may be sold or otherwise transferred at any time with the result that subsequent owners may close the mobile home park, or that the landlord may close the park at any time after the required closure notice as provided in RCW 59.20.080." The statement required by this subsection must: (i) Appear in print that is in boldface and is larger than the other text of the rental agreement; (ii) be set off by means of a box, blank space, or comparable visual device; and (iii) be located directly above the tenant's signature on the rental agreement;

(h) A copy of a closure notice, as required in RCW 59.20.080, if such notice is in effect;

(i) The terms and conditions under which any deposit or portion thereof may be withheld by the landlord upon termination of the rental agreement if any moneys are paid to the landlord by the tenant as a deposit or as security for performance of the tenant's obligations in a rental agreement;

(j) A listing of the utilities, services, and facilities which

will be available to the tenant during the tenancy and the nature of the fees, if any, 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;

(k) A written description, picture, plan, or map of the boundaries of a mobile home space sufficient to inform the tenant of the exact location of the tenant's space in relation to other tenants' spaces;

(l) A written description, picture, plan, or map of the location of the tenant's responsibility for utility hook-ups, consistent with RCW 59.20.130(6);

(m) A statement of the current zoning of the land on which the mobile home park is located;

(n) A statement of the expiration date of any conditional use, temporary use, or other land use permit subject to a fixed expiration date that is necessary for the continued use of the land as a mobile home park; and

(o) A written statement containing accurate historical information regarding the past five years' rental amount charged for the lot or space.

(2) Any rental agreement executed between the landlord and tenant shall not contain any provision:

(a) Which allows the landlord to charge a fee for guest parking unless a violation of the rules for guest parking occurs: PROVIDED, That a fee may be charged for guest parking which covers an extended period of time as defined in the rental agreement;

(b) Which authorizes the towing or impounding of a vehicle except upon notice to the owner thereof or the tenant whose guest is the owner of the vehicle;

(c) Which allows the landlord to alter the due date for rent payment or increase the rent: (i) During the term of the rental agreement if the term is less than two years, or (ii) more frequently than annually if the initial term is for two years or

more: PROVIDED, That a rental agreement may include an escalation clause for a pro-rata share of any increase in the mobile home park's real property taxes or utility assessments or charges, over the base taxes or utility assessments or charges of the year in the rental agreement took effect, if the clause also provides for a pro-rata reduction in rent or other charges in the event of a reduction in real property taxes or utility assessments or charges, below the base year: PROVIDED FURTHER, That a rental agreement for a term exceeding two years may provide for annual increases in rent in specified amounts or by a formula specified in such agreement. Any rent increase authorized under this subsection (2)(c) that occurs within the closure notice period pursuant to RCW 59.20.080(1)(e) may not be more than one percentage point above the United States consumer price index for all urban consumers, housing component, published by the United States bureau of labor statistics in the periodical "Monthly Labor Review and Handbook of Labor Statistics" as established annually by the department of commerce;

(d) By which the tenant agrees to waive or forego rights or remedies under this chapter;

(e) Allowing the landlord to charge an "entrance fee" or an "exit fee." However, an entrance fee may be charged as part of a continuing care contract as defined in RCW 70.38.025;

(f) Which allows the landlord to charge a fee for guests: PROVIDED, That a landlord may establish rules charging for guests who remain on the premises for more than 15 days in any 60-day period;

(g) By which the tenant agrees to waive or forego homestead rights provided by chapter 6.13 RCW. This subsection shall not prohibit such waiver after a default in rent so long as such waiver is in writing signed by the husband and wife or by an unmarried claimant and in consideration of the landlord's agreement not to terminate the tenancy for a period of time specified in the waiver if the landlord would be otherwise entitled to terminate the tenancy under this chapter;

(h) By which, at the time the rental agreement is entered into, the landlord and tenant agree to the selection of a particular arbitrator;

(i) By which the tenant agrees to make rent payments through electronic means only; or

(j) Allowing the landlord to charge a late fee for rent that is paid within five days following its due date. If rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. Late fees may not exceed 1.5 percent of the tenant's total rent per month. Nothing in this subsection prohibits a landlord from serving a notice to pay or vacate at any time after the rent becomes due.

(3) Any provision prohibited under this section that is included in a rental agreement is unenforceable.

Sec. 208. RCW 59.20.030 and 2024 c 325 s 1 are each amended to read as follows:

For purposes of this chapter:

(1) "Abandoned" as it relates to a mobile home, manufactured home, or park model owned by a tenant in a mobile home park, mobile home park cooperative, or mobile home park subdivision or tenancy in a mobile home lot means the tenant has defaulted in rent and by absence and by words or actions reasonably indicates the intention not to continue tenancy;

(2) "Active duty" means service authorized by the president of the United States, the secretary of defense, or the governor for a period of more than ((thirty)) 30 consecutive days;

(3) "Community land trust" means a private, nonprofit, community-governed, and/or membership corporation whose mission is to acquire, hold, develop, lease, and steward land for making homes, farmland, gardens, businesses, and other community assets permanently affordable for current and future generations. A community land trust's bylaws prescribe that the governing board is comprised of individuals who reside in the community land trust's

service area, one-third of whom are currently, or could be, community land trust leaseholders;

(4) "Eligible organization" includes community land trusts, resident nonprofit cooperatives, local governments, local housing, nonprofit community, or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or statewide nonprofit housing assistance organizations, whose mission aligns with the long-term preservation of the manufactured/mobile home community;

(5) "Housing and low-income assistance organization" means an organization that provides tenants living in mobile home parks, manufactured housing communities, and manufactured/mobile home communities with information about their rights and other pertinent information;

(6) "Housing authority" or "authority" means any of the public body corporate and politic created in RCW 35.82.030;

(7) "Landlord" or "owner" means the owner of a mobile home park and includes the agents of the owner;

(8) "Local government" means a town government, city government, code city government, or county government in the state of Washington;

(9) "Manufactured home" means a single-family dwelling built according to the United States department of housing and urban development manufactured home construction and safety standards act, which is a national preemptive building code. A manufactured home also: (a) Includes plumbing, heating, air conditioning, and electrical systems; (b) is built on a permanent chassis; and (c) can be transported in one or more sections with each section at least eight feet wide and 40 feet long when transported, or when installed on the site is (~~three hundred twenty~~) 320 square feet or greater;

(10) "Manufactured/mobile home" means either a manufactured home or a mobile home;

(11) "Mobile home" means a factory-built dwelling built prior to June 15, 1976, to standards other than the United States department of housing and urban development code, and acceptable

under applicable state codes in effect at the time of construction or introduction of the home into the state. Mobile homes have not been built since the introduction of the United States department of and urban development manufactured home construction and safety act;

(12) "Mobile home lot" means a portion of a mobile home park or manufactured housing community designated as the location of one mobile home, manufactured home, or park model and its accessory buildings, and intended for the exclusive use as a primary residence by the occupants of that mobile home, manufactured home, or park model;

(13) "Mobile home park cooperative" or "manufactured housing cooperative" means real property consisting of common areas and two or more lots held out for placement of mobile homes, manufactured homes, or park models in which both the individual lots and the common areas are owned by an association of shareholders which leases or otherwise extends the right to occupy individual lots to its own members;

(14) "Mobile home park subdivision" or "manufactured housing subdivision" means real property, whether it is called a subdivision, condominium, or planned unit development, consisting of common areas and two or more lots held for placement of mobile homes, manufactured homes, or park models in which there is private ownership of the individual lots and common, undivided ownership of the common areas by owners of the individual lots;

(15) "Mobile home park," "manufactured housing community," or "manufactured/mobile home community" means any real property which is rented or held out for rent to others for the placement of two or more mobile homes, manufactured homes, or park models for the primary purpose of production of income, except where such real property is rented or held out for rent for seasonal recreational purpose only and is not intended for year-round occupancy;

(16) "Notice of opportunity to compete to purchase" means a notice required under RCW 59.20.325;

(17) "Notice of sale" means a notice required under RCW

59.20.300 to be delivered to all tenants of a manufactured/mobile home community and other specified parties within 14 days after the date on which any advertisement, listing, or public or private notice is first made advertising that a manufactured/mobile home community or the property on which it sits is for sale or lease. A delivered notice of opportunity to compete to purchase acts as a notice of sale;

(18) "Occupant" means any person, including a live-in care provider, other than a tenant, who occupies a mobile home, manufactured home, or park model and mobile home lot;

(19) "Orders" means written official military orders, or any written notification, certification, or verification from the service member's commanding officer, with respect to the service member's current or future military status;

(20) "Park model" means a recreational vehicle intended for permanent or semi-permanent installation and is used as a primary residence;

(21) "Permanent change of station" means: (a) Transfer to a unit located at another port or duty station; (b) change of a unit's home port or permanent duty station; (c) call to active duty for a period not less than 90 days; (d) separation; or (e) retirement;

(22) "Qualified sale of manufactured/mobile home community" means the sale, as defined in RCW 82.45.010, of land and improvements comprising a manufactured/mobile home community that is transferred in a single purchase to a qualified tenant organization or to an eligible organization for the purpose of preserving the property as a manufactured/mobile home community;

(23) "Qualified tenant organization" means a formal organization of tenants within a manufactured/mobile home community, with the only requirement for membership consisting of being a tenant. If a majority of the tenants, based on home sites within the manufactured/mobile home community, agree that they want to preserve the manufactured/mobile home community then they will appoint a spokesperson to represent the wishes of the qualified tenant

organization to the landlord and the landlord's representative;

(24) "Recreational vehicle" means a travel trailer, motor home, truck camper, or camping trailer that is primarily designed and used as temporary living quarters, is either self-propelled or mounted on or drawn by another vehicle, is transient, is not occupied as a primary residence, and is not immobilized or permanently affixed to a mobile home lot;

(25) "Rent" or "rental amount" means recurring and periodic charges identified in the rental agreement for the use and occupancy of the manufactured/mobile home lot, which may include charges for utilities as provided in RCW 59.20.060. These terms do not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees, including attorneys' fees;

(26) "Resident nonprofit cooperative" means a nonprofit cooperative corporation formed by a group of manufactured/mobile home community residents for the purpose of acquiring the manufactured/mobile home community in which they reside and converting the manufactured/mobile home community to a mobile home park cooperative or manufactured housing cooperative;

~~((26))~~ (27) "Service member" means an active member of the United States armed forces, a member of a military reserve component, or a member of the national guard who is either stationed in or a resident of Washington state;

~~((27))~~ (28) "Tenant" means any person, except a transient, who rents a mobile home lot;

~~((28))~~ (29) "Transient" means a person who rents a mobile home lot for a period of less than one month for purposes other than as a primary residence.

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