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HOUSE BILL 2578

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State of Washington

65th Legislature

2018 Regular Session

By Representatives Riccelli, Kirby, Macri, Peterson, Appleton, McBride, Frame, Doglio, Stanford, Goodman, Senn, Gregerson, Wylie, Sawyer, Kloba, Santos, Ormsby, Robinson, and Bergquist

Read first time 01/10/18. Referred to Committee on Judiciary.

1 AN ACT Relating to preserving and expanding rental housing  
2 options for persons whose source of income is derived from or  
3 includes sources other than employment; amending 2017 3rd sp.s. c 4 s  
4 1028 (uncodified); adding a new section to chapter 59.18 RCW; adding  
5 new sections to chapter 43.31 RCW; and prescribing penalties.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 59.18  
8 RCW to read as follows:

9 (1) A landlord may not, based on the source of income of an  
10 otherwise eligible prospective tenant or current tenant:

11 (a) Refuse to lease or rent any real property to a prospective  
12 tenant or current tenant, unless the prospective tenant's or current  
13 tenant's source of income is conditioned on the real property passing  
14 inspection, and the written estimate of the cost of improvements  
15 necessary to pass inspection is six times the monthly rent of the  
16 real property;

17 (b) Expel a prospective tenant or current tenant from any real  
18 property;

19 (c) Make any distinction, discrimination, or restriction against  
20 a prospective tenant or current tenant in the price, terms,  
21 conditions, fees, or privileges relating to the rental, lease, or

1 occupancy of real property or in the furnishing of any facilities or  
2 services in connection with the rental, lease, or occupancy of real  
3 property;

4 (d) Attempt to discourage the rental or lease of any real  
5 property to a prospective tenant or current tenant;

6 (e) Assist, induce, incite, or coerce another person to commit an  
7 act or engage in a practice that violates this section;

8 (f) Coerce, intimidate, threaten, or interfere with any person in  
9 the exercise or enjoyment of, or on account of the person having  
10 exercised or enjoyed or having aided or encouraged any other person  
11 in the exercise or enjoyment of, any right granted or protected under  
12 this section;

13 (g) Represent to a person that a dwelling unit is not available  
14 for rental when the dwelling unit in fact is available for rental; or

15 (h) Otherwise make unavailable or deny a dwelling unit to a  
16 prospective tenant or current tenant that, but for his or her source  
17 of income, would be eligible to rent real property.

18 (2) A landlord may not, based on the source of income of an  
19 otherwise eligible prospective tenant or current tenant, publish,  
20 circulate, issue, or display, or cause to be published, circulated,  
21 issued, or displayed, any communication, notice, advertisement, or  
22 sign of any kind relating to the rental or lease of real property  
23 that indicates any source of income.

24 (3) If a landlord requires that a prospective tenant or current  
25 tenant have a certain threshold level of income, any source of income  
26 in the form of a rent voucher or subsidy must be subtracted from the  
27 total of the monthly rent prior to calculating if the income criteria  
28 have been met.

29 (4) A person in violation of this section shall be held liable in  
30 a civil action for four times the monthly rent of the real property  
31 at issue, as well as court costs and reasonable attorneys' fees.

32 (5) As used in this section, "source of income" includes benefits  
33 or subsidy programs including housing assistance, public assistance,  
34 emergency rental assistance, veterans benefits, social security,  
35 supplemental security income or other retirement programs, and other  
36 programs administered by any federal, state, local, or nonprofit  
37 entity. "Source of income" does not include income derived in an  
38 illegal manner.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 43.31  
2    RCW to read as follows:

3        (1) Subject to the availability of funds for this purpose, the  
4    **landlord mitigation program** is created.

5        (2) In order for a claim to be eligible for reimbursement from  
6    the landlord mitigation program account, a landlord must:

7        (a) First make repairs and then apply for **reimbursement**; and

8        (b) Submit copies of the move-in inspection, descriptions and  
9    documentation of the damages upon move-out, including before repair  
10   and after repair photographs, and copies of repair receipts for labor  
11   and materials.

12       (3) Properly submitted and complete claims shall be reviewed by  
13   the department within five business days of receipt. In reviewing a  
14   claim, and determining eligibility for reimbursement, the department  
15   **must also confirm that the claim involves a private market rental**  
16   **unit rented to a tenant whose source of income is specified in**  
17   **section 1(5) of this act.**

18       (4) Damages from a tenancy must total **at least five hundred**  
19   dollars **in** order for a claim to be eligible for reimbursement from  
20   the program. Damages may exceed five thousand dollars, however  
21   **reimbursement from the program may not exceed five thousand dollars**  
22   **per tenancy.**

23       (5) Damages, beyond wear and tear, that are eligible for  
24   reimbursement include, but are not limited to: Interior wall gouges  
25   and holes; damage to doors and cabinets, including hardware; carpet  
26   stains or burns; cracked tiles; broken windows; damage to household  
27   fixtures such as disposal, toilet, sink, sink handle, ceiling fan,  
28   and lighting. Other property damage beyond normal wear and tear may  
29   also be eligible for reimbursement. Damages may also include unpaid  
30   rent.

31       (6) A landlord in receipt of reimbursement from the program is  
32   prohibited from:

33       (a) Taking legal action against the tenant for the same damages  
34   for which he or she was reimbursed; or

35       (b) Pursuing collection, or authorizing another entity to pursue  
36   collection on the landlord's behalf, of a judgment against the tenant  
37   for the same damages for which he or she was reimbursed.

38       (7) A report to the appropriate committees of the legislature on  
39   the effectiveness of the program and modifications recommended by the  
40   department of commerce shall be submitted by January 1, 2021.

1        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 43.31  
2    RCW to read as follows:

3        (1) The landlord mitigation program account is created in the  
4    custody of the state treasury. All transfers and appropriations by  
5    the legislature, repayments, private contributions, and all other  
6    sources must be deposited into the account. Expenditures from the  
7    account may only be used for the landlord mitigation program under  
8    this chapter to reimburse for damages caused to private market rental  
9    units during the time of their rental to tenants whose source of  
10   income is specified in section 1(5) of this act. Only the director or  
11   the director's designee may authorize expenditures from the account.  
12   The account is subject to allotment procedures under chapter 43.88  
13   RCW, but an appropriation is not required for expenditures.

14        (2) Administrative costs associated with application,  
15    distribution, and other program activities of the department may not  
16    exceed three percent of the annual funds available for the landlord  
17    mitigation program. Reappropriations must not be included in the  
18    calculation of the annual funds available for determining the  
19    administrative costs.

20        **Sec. 4.**    2017 3rd sp.s. c 4 s 1028 (uncodified) is amended to  
21    read as follows:

22    **FOR THE DEPARTMENT OF COMMERCE**

23        Rapid Housing Improvement Program (30000863)

24        The reappropriation in this section is subject to the following  
25    conditions and limitations:

26        (1) Except as provided in subsection (2) of this section, the  
27    reappropriation is subject to the provisions of section 1010, chapter  
28    35, Laws of 2016 sp. sess.

29        (2) The department may use the reappropriation to implement this  
30    act.

31    Reappropriation:

32        Washington Housing Trust Account—State. . . . .	\$194,000
33        Prior Biennia (Expenditures). . . . .	\$31,000
34        Future Biennia (Projected Costs). . . . .	\$0
35        TOTAL. . . . .	\$225,000

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