

Multiple Agency Fiscal Note Summary

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| Bill Number: 1388 HB | Title: Residential rent practices |
|-----------------------------|--|

Estimated Cash Receipts

NONE

Estimated Operating Expenditures

| Agency Name | 2023-25 | | | | 2025-27 | | | | 2027-29 | | | |
|----------------------------|---------------------------|----------|-------------|--------|---------|----------|-------------|--------|---------|----------|-------------|--------|
| | FTEs | GF-State | NGF-Outlook | Total | FTEs | GF-State | NGF-Outlook | Total | FTEs | GF-State | NGF-Outlook | Total |
| Office of Attorney General | Fiscal note not available | | | | | | | | | | | |
| Department of Commerce | .1 | 29,486 | 29,486 | 29,486 | .1 | 29,954 | 29,954 | 29,954 | .1 | 29,954 | 29,954 | 29,954 |
| Total \$ | 0.1 | 29,486 | 29,486 | 29,486 | 0.1 | 29,954 | 29,954 | 29,954 | 0.1 | 29,954 | 29,954 | 29,954 |

Estimated Capital Budget Expenditures

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|----------------------------|---------------------------|-------|-------|---------|-------|-------|---------|-------|-------|
| | FTEs | Bonds | Total | FTEs | Bonds | Total | FTEs | Bonds | Total |
| Office of Attorney General | Fiscal note not available | | | | | | | | |
| Department of Commerce | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Total \$ | 0.0 | 0 | 0 | 0.0 | 0 | 0 | 0.0 | 0 | 0 |

Estimated Capital Budget Breakout

| | | |
|--------------------------------------|---------------------------------|---------------------------------------|
| Prepared by: Gwen Stamey, OFM | Phone: (360) 790-1166 | Date Published: Preliminary |
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Individual State Agency Fiscal Note

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|-----------------------------|--|---|
| Bill Number: 1388 HB | Title: Residential rent practices | Agency: 103-Department of Commerce |
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Account | | | | | |
| General Fund-State 001-1 | 14,509 | 14,977 | 29,486 | 29,954 | 29,954 |
| Total \$ | 14,509 | 14,977 | 29,486 | 29,954 | 29,954 |

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

| | | |
|-----------------------------------|-----------------------|------------------|
| Legislative Contact: Audrey Vasek | Phone: 360-786-7383 | Date: 01/20/2023 |
| Agency Preparation: Oliver Crain | Phone: 206-454-2200 | Date: 01/25/2023 |
| Agency Approval: Jason Davidson | Phone: 360-725-5080 | Date: 01/25/2023 |
| OFM Review: Gwen Stamey | Phone: (360) 790-1166 | Date: 01/25/2023 |

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This act amends the Residential Landlord Tenant Act (RLTA) (59.18 RCW) and the Manufactured/Mobile Home Landlord Tenant Act (59.20 RCW)

Section 1- Amends the RLTA by prohibiting landlords from engaging in predatory practices such as: charging excessive rent not justified by the costs of maintaining the unit, charging rents that are substantially likely to force the household to relocate, or charging rents as a means to violate other tenant protections provided for in the bill or by other statutes, rules, or regulations. There are exemptions listed in subsection 2.

The section empowers the Attorney General (AG) to investigate, enforce, file civil action, and seek fines and penalties against landlords who violate the protections in this bill. Second, it provides tenants with a cause of action to file suit for compensation for rents and other fees in excess of amounts permitted by this section, along with other costs associated with the filing and punitive damages. Third, tenants may invoke predatory practices as a defense in an unlawful detainer action. Finally, this section protects the credit reports of tenants who have experienced predatory landlord practices from adverse reports by the landlord in question.

The AG is charged with publicly disseminating knowledge of this section via web page or print.

Section 2- The department of commerce (department) will calculate the maximum annual rent increase percentage allowed under Section 1 and Section 4 of the bill annually in September and publish it by September 30th each year. The department would maintain publicly available information on its website about the maximum annual rent increase for the past year, the current year, and, on or after September 30, for the following calendar year. The department shall distribute that information annually by publishing a press release.

Section 4- This section applies the language from Section 1 to the Manufactured/Mobile Home Landlord Tenant Act (59.20 RCW).

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section 2- Assigns the department the role of preparing an annual maximum rent increase percentage using data from that year's Consumer Point Index (CPI-U) report issued by the US Department of Labor. The department would also maintain a website where it publishes that rent increase percentage each year by September 30. The department would then publish a press release notifying the public of the updated information.

The department estimates the following would be needed:

0.1 Management Analyst 3 to collect the data, verify it, perform the calculation, prepare a press release, publish the press release, update the website, and handle miscellaneous work related to this provision.

Cost Narrative

0.1 FTE Management Analyst 3 (209 hours) FY24-FY29: To collect the data, verify it, perform the calculation, prepare a press release, publish the press release, update the website, and handle miscellaneous work related to this provision.

Salaries and Benefits:

FY24: \$10,197

FY25-FY29: \$10,549 per year

Goods and Other Services:

FY24-29: \$957 per year

Intra-agency Reimbursements:

FY24: \$3,355

FY25-FY29: \$3,471 per year

Note: Standard goods and services costs include supplies and materials, employee development and training. Attorney General costs, and agency administration. Intra-agency administration Reimbursement-Agency administrations costs (e.g., payroll, HR, IT are funded under a federally approved cost allocation plan.

Summary of Total Costs:

FY24: \$14,509

FY25-FY29: \$14,977 per year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-----------------|---------------|-------|---------|---------|---------|---------|---------|
| 001-1 | General Fund | State | 14,509 | 14,977 | 29,486 | 29,954 | 29,954 |
| Total \$ | | | 14,509 | 14,977 | 29,486 | 29,954 | 29,954 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| A-Salaries and Wages | 7,438 | 7,661 | 15,099 | 15,322 | 15,322 |
| B-Employee Benefits | 2,759 | 2,888 | 5,647 | 5,776 | 5,776 |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 957 | 957 | 1,914 | 1,914 | 1,914 |
| G-Travel | | | | | |
| J-Capital Outlays | | | | | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | 3,355 | 3,471 | 6,826 | 6,942 | 6,942 |
| 9- | | | | | |
| Total \$ | 14,509 | 14,977 | 29,486 | 29,954 | 29,954 |

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

| Job Classification | Salary | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------------------------------|---------|---------|---------|---------|---------|---------|
| Administrative Services-Indirect | 111,168 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Management Analyst 3 | 74,381 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total FTEs | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.