

Multiple Agency Fiscal Note Summary

Bill Number: 1388 S 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
Administrative Office of the Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Office of Attorney General	13.0	3,878,000	3,878,000	3,878,000	9.8	2,917,000	2,917,000	2,917,000	6.5	1,976,000	1,976,000	1,976,000
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 \$	13.1	3,907,486	3,907,486	3,907,486	9.9	2,946,954	2,946,954	2,946,954	6.6	2,005,954	2,005,954	2,005,954

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
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

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Final 2/20/2023
--------------------------------------	---------------------------------	---

Judicial Impact Fiscal Note

Bill Number: 1388 S HB	Title: Residential rent practices	Agency: 055-Administrative Office of the Courts
-------------------------------	--	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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 for 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.

Legislative Contact: Jessica Van Horne	Phone: 360-786-7288	Date: 02/14/2023
Agency Preparation: Angie Wirkkala	Phone: 360-704-5528	Date: 02/15/2023
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 02/15/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/16/2023

183,654.00

Request # 189-1

Part II: Narrative Explanation

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

This bill would add a section to Chapter 59.18 RCW (Residential Landlord-Tenant Act) which, with limited exceptions, bars residential landlords from charging excessive rent or engaging in certain practices relating to rent and outlines various actions for violations.

II. B - Cash Receipts Impact

II. C - Expenditures

There would be no fiscal impact to the Administrative Office of the Courts. Any impact to the courts is indeterminate and would only occur depending on filings by the Attorney General or private parties.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditure By Object or Purpose (County)

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Expenditure By Object or Purpose (City)

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

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

NONE

183,654.00

Form FN (Rev 1/00)

Individual State Agency Fiscal Note

Bill Number: 1388 S HB	Title: Residential rent practices	Agency: 100-Office of Attorney General
-------------------------------	--	---

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	13.0	13.0	13.0	9.8	6.5
Account					
General Fund-State 001-1	1,949,000	1,929,000	3,878,000	2,917,000	1,976,000
Total \$	1,949,000	1,929,000	3,878,000	2,917,000	1,976,000

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: Jessica Van Horne	Phone: 360-786-7288	Date: 02/14/2023
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 02/17/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/17/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/17/2023

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.

Section 1: Adding a new section to RCW 59.18 (Residential Landlord-Tenant Act). Prohibits landlords from engaging in certain practices as defined in the section. Makes the prohibited practices not applicable under certain conditions. Authorizes the Attorney General's Office (AGO) to investigate the prohibited practices. Authorizes the AGO to issue a cease and desist letter and initiate a superior court action, and authorizes the court to impose injunctive relief and a civil penalty of \$10,000 per violation of the cease and desist letter, plus costs and attorneys' fees, and damages and restitution for any persons harmed. Authorizes the AGO to enforce this section in superior court and authorizes the court to impose a civil penalty of up to \$25,000 per violation, plus costs and attorneys' fees, and damages and restitution for persons harmed. Authorizes a cause of action for tenants. Other miscellaneous provisions.

Section 2: Adding a new section to RCW 59.18. Requires the Department of Commerce (Commerce) to calculate the maximum annual rent increase percentage allowed, to publish that information in a press release, and maintain that information on its website.

Section 3: Adding a new section to RCW 59.18. Provides that a violation of this chapter is an unfair or deceptive act and an unfair method of competition under the Consumer Protection Act, RCW 19.86, and that any violation of this chapter is a violation of RCW 19.86.020.

Section 4: Adding a new section to RCW 59.20 (Manufactured/Mobile Home Landlord-Tenant Act). Prohibits landlords from engaging in certain practices as defined in the section. Makes the prohibited practices not applicable under certain conditions. Authorizes the AGO to investigate the prohibited practices. Authorizes the AGO to issue a cease and desist letter and initiate a superior court action, and authorizes the court to impose injunctive relief and a civil penalty of up to \$10,000 per violation of a cease and desist letter, plus costs and attorneys' fees, and damages and restitution for persons harmed. Authorizes the AGO to enforce this section in superior court and authorizes the court to impose a civil penalty of up to \$25,000 per violation, plus costs and attorneys' fees, and damages and restitution for persons harmed. Authorizes a cause of action for tenants. Other miscellaneous provisions.

Section 5: Adding a new section to RCW 59.20. Provides that a violation of this chapter is an unfair or deceptive act and an unfair method of competition under the Consumer Protection Act, RCW 19.86, and that any violation of this chapter is a violation of RCW 19.86.020.

Section 6: Providing an immediate effective date.

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.

Attorney General's Office (AGO) Consumer Protection (CPR) and Administrative Division activities are funded with General Fund-State dollars. No cash receipt impact. There is no client agency to bill for legal services.

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.

Attorney General's Office (AGO) Agency Assumptions:

This bill has an emergency clause and is assumed to be effective immediately.

Location of staffing is assumed to be in a statewide office buildings.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 (MA), is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 FTE of an MA.

1. Assumptions for the AGO Consumer Protection Division's (CPR) Legal Services:

CPR assumes that enforcement to ensure compliance will be a priority for the AGO during the first three years after enactment. CPR assumes that litigation will be necessary to ensure industry compliance. CPR assumes that industry compliance will increase as a result of litigation enforcement efforts. CPR also assumes that the predatory lending practice section will remain without a private right of action under the Consumer Protection Act (CPA), so that the AGO is primarily tasked with enforcement. Finally, CPR assumes that the complaint volume for all rental increases will be a multiple of the current complaint volume related to mobile homes rent increases where the AGO has some existing authority.

CPR assumes enactment of this bill will require; four AAGs to investigate potential violations, draw conclusions from investigations, draft cease and desist letters, monitor compliance, draft Civil Investigative Demand (CIDs)/discovery request, engage in settlement negotiations, file lawsuit if necessary, litigate. Two Paralegal FTE (PL) to manage documents, draft CID/discovery requests and manage responses, assist with legal pleadings and research. Two Investigator FTE (INV) to interview witnesses, review investigative records, other investigative tasks as assigned. Two Consumer Resource Center (CRC) Program Staff FTE (PS) for complaint intake, review and processing, answering phone calls, and responding/coordinating constituent correspondence responses. Direct costs will be \$125,000 for the following; expert costs (\$80,000); depositions to aid in enforcement (\$3,000 each estimating four depositions = \$12,000); travel expenses for depositions, witness interviews, other (\$3,000); e-document management costs (\$30,000). All of these positions and direct costs will be required from FY 2024 through FY 2026.

FY 2027 and beyond will require two AAGs to investigate potential violations, draw conclusions from investigations, draft cease and desist letters, monitor compliance, draft CIDs/discovery request, engage in settlement negotiations, file lawsuit if necessary, and to litigate. One PL to manage documents, draft CID/discovery requests and manage responses, assist with legal pleadings and research. One INV to interview witnesses, review investigative records, other investigative tasks as assigned. One CRC PS for complaint intake, review and processing, answering phone calls, and responding/coordinating constituent correspondence responses. Direct costs will be \$85,000 for the following; expert costs (\$60,000); depositions to aid in enforcement (\$3,000 each estimating two depositions = \$8,000); travel expenses for depositions, witness interviews, other (\$2,000); e-document management costs (\$15,000).

CPR total FTE workload impact for Seattle rate:

FY 2024 to FY 2026 (each FY): \$1,929,000 for 4.0 AAG, 2.0 LA, 2.0 INV, 2.0 PL, 2.0 CRC PS, which this includes direct litigation costs of \$125,000.

FY 2027 and in each FY thereafter.: \$988,000 for 2.0 AAG, 1.0 LA, 1.0 INV, 1.0 PL, 1.0 PS, which this includes direct litigation costs of \$85,000.

2. Assumptions for the AGO Administrative Division's (ADM) Legal Services:

ADM assumes enactment of this bill will require direct costs of \$20,000 for language translation for the top 10 spoken languages as indicated in the bill.

ADM total workload impact:

FY 2024: direct costs of \$20,000.

3. The AGO Agriculture and Health Division (AHD) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload. The enactment of this bill will not impact the provision of legal services by AHD to Department of Commerce (Commerce). This bill is expected to generate a few requests for legal services. New legal services are nominal and costs are not included in this request.

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	1,949,000	1,929,000	3,878,000	2,917,000	1,976,000
Total \$			1,949,000	1,929,000	3,878,000	2,917,000	1,976,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	13.0	13.0	13.0	9.8	6.5
A-Salaries and Wages	1,178,000	1,178,000	2,356,000	1,767,000	1,178,000
B-Employee Benefits	392,000	392,000	784,000	588,000	392,000
C-Professional Service Contracts	145,000	125,000	270,000	210,000	170,000
E-Goods and Other Services	221,000	221,000	442,000	332,000	222,000
G-Travel	13,000	13,000	26,000	20,000	14,000
Total \$	1,949,000	1,929,000	3,878,000	2,917,000	1,976,000

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
Assistant Attorney General-Seattle	124,635	4.0	4.0	4.0	3.0	2.0
Legal Assistant 3-Seattle	67,044	2.0	2.0	2.0	1.5	1.0
Management Analyst 5	91,524	1.0	1.0	1.0	0.8	0.5
Paralegal 2-Seattle	75,096	2.0	2.0	2.0	1.5	1.0
Program Specialist 2	53,100	2.0	2.0	2.0	1.5	1.0
Senior Investigator-Seattle	98,532	2.0	2.0	2.0	1.5	1.0
Total FTEs		13.0	13.0	13.0	9.8	6.5

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Headquarters Administration (ADM)	20,000		20,000		
Consumer Protection Division (CPR)	1,929,000	1,929,000	3,858,000	2,917,000	1,976,000
Total \$	1,949,000	1,929,000	3,878,000	2,917,000	1,976,000

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

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1388 S HB	Title: Residential rent practices	Agency: 103-Department of Commerce
-------------------------------	--	---

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: Jessica Van Horne	Phone: 360-786-7288	Date: 02/14/2023
Agency Preparation: Tedd Kelleher	Phone: 360-725-2930	Date: 02/17/2023
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 02/17/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/20/2023

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).

The substitute version of the bill makes modifications to sections of the original proposal that do not change the fiscal impact on the Department of Commerce (Department).

Section 1 - Amends the RLTA by prohibiting landlords from charging excessive rent (defined in Section 2) not justified by the costs of maintaining the unit if the excessive rent increase would be substantially likely to force the household to relocate, substantially likely to cause a tenant or move; or charging excessive rents is used as a means to avoid other tenant protections provided for in the bill or any other applicable law. 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 would 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 3 - Adds a new section to RCW 59.18. Provides that a violation of this chapter is an unfair or deceptive act and an unfair method of competition under the Consumer Protection Act, RCW 19.86, and that any violation of this chapter is a violation of RCW 19.86.020.

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

Section 5 - Adds a new section to RCW 59.20. Provides that a violation of this chapter is an unfair or deceptive act and an unfair method of competition under the Consumer Protection Act, RCW 19.86, and that any violation of this chapter is a violation of RCW 19.86.020.

Section 6 - Providing an immediate effective date.

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.

No change in fiscal impact from previous version.

Section 2 require the Department to calculate the allowable rent increase as defined in Sections 2 and 4 and publish the rent increase limit in a press release and on the Department's website. The Department estimates the following staff 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.

0.1 Management Analyst 3 (300 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
Management Analyst 3		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.