

Multiple Agency Fiscal Note Summary

Bill Number: 2114 S HB	Title: Residential tenants
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

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	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	2.4	910,000	910,000	910,000	2.4	893,000	893,000	893,000	.0	170,000	170,000	170,000
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	2.4	910,000	910,000	910,000	2.4	893,000	893,000	893,000	0.0	170,000	170,000	170,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
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	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Final 2/19/2024
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Judicial Impact Fiscal Note

Bill Number: 2114 S HB	Title: Residential tenants	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

STATE	FY 2024	FY 2025	2023-25	2025-27	2027-29
State FTE Staff Years					
Account					
General Fund-State 001-1	2,452		2,452		
State Subtotal \$	2,452		2,452		
COUNTY	FY 2024	FY 2025	2023-25	2025-27	2027-29
County FTE Staff Years					
Account					
Local - Counties					
Counties Subtotal \$					
CITY	FY 2024	FY 2025	2023-25	2025-27	2027-29
City FTE Staff Years					
Account					
Local - Cities					
Cities Subtotal \$					

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: 02/12/2024
Agency Preparation: Jackie Bailey-Johnson	Phone: 360-704-5545	Date: 02/15/2024
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 02/15/2024
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/15/2024

194,772.00

Form FN (Rev 1/00)

1

Request # 215-1

Bill # 2114 S HB

Part II: Narrative Explanation

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

This substitute bill retains the same Administrative Office of the Courts and court impacts as the original bill but adds no more.

Section 101 (1) (b)

This section raises the cap on the amount by which landlords can raise rents in any given 12-month period from 5 to 7%.

Section 101 (3)

This section removes term permitting tenants to break their lease upon receipt of notice of the landlord's intent to raise the rate by 3% or more within a 12-month period, but allows them to do so if the increase exceeds amount allowed by bill unless the landlord qualifies for exemption.

Section 102 (1) (b)

This section modifies the rent increase cap exemption (RICE) for certain public/non-profit properties to require they be owned instead of just operated by involved entity.

Section 102 (1) (c)-(e)

This section adds RICE for certain living situations where the owner is also a resident of the property.

Section 103 (2) and Section 107 (3)

These sections exempt the annual rent increase notice and limit on deposits for certain subsidized properties/tenancies.

Section 108 (2)

This section changes the late fee cap from \$10 to 1.5% of the total monthly rent.

Section 302

This section adds a null and void clause if the bill is not funded by June 30, 2024.

II. B - Cash Receipts Impact

None

II. C - Expenditures

AOC Fiscal Impact

Updates to the Courts of Limited Jurisdiction Civil Procedure Bench Book and the court manual are required to incorporate the changes under this bill. These changes are expected to take a SR Legal Analyst 30-40 hours.

IMPACT ON COUNTIES (Superior and/or District Courts)

Neither the superior court or district court business processes in place are expected to change under the provisions of this bill.

There may be a slight increase in civil case filings under the provisions of this bill. However, any increase is assumed to be minimal.

Part III: Expenditure Detail

194,772.00

Form FN (Rev 1/00)

2

Request # 215-1

Bill # 2114 S HB

Part III: Expenditure Detail

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

<i>State</i>	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
Salaries and Wages	2,452		2,452		
Employee Benefits					
Professional Service Contracts					
Goods and Other Services					
Travel					
Capital Outlays					
Inter Agency/Fund Transfers					
Grants, Benefits & Client Services					
Debt Service					
Interagency Reimbursements					
Intra-Agency Reimbursements					
Total \$	2,452		2,452		

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

NONE

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

NONE

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

Individual State Agency Fiscal Note

Bill Number: 2114 S HB	Title: Residential tenants	Agency: 100-Office of Attorney General
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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	0.0	4.7	2.4	2.4	0.0
Account					
General Fund-State 001-1	0	910,000	910,000	893,000	170,000
Total \$	0	910,000	910,000	893,000	170,000

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: 02/12/2024
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 02/15/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/15/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/17/2024

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 - New section. Findings.

Part 1 – Residential Landlord-Tenant Act

Section 101 - New section added to chapter 59.18 RCW. Set limitations around a landlord's ability to increase rent. Tenant may have the right to terminate the rental agreement in certain situations. Violations of this section may result in the landlord owing damages to the tenant including attorney fees and costs. Also sets out a defense for eviction is rent was increased contrary to this statute.

Section 102 - New section added to chapter 59.18 RCW. Exemptions to Section 101.

Section 103 - New section added to chapter 59.18 RCW. Notice requirement for annual rent and fee increases. Sets out exception if rental agreement governs a subsidized tenancy wherein rent is based on a percentage of income.

Section 104 - New section added to chapter 59.18 RCW. Applies Consumer Protection Act (CPA) to Sections 101 through 103.

Section 105 - New section added to chapter 59.18 RCW. The Department of Commerce (Commerce) to create an online landlord resource center. Sets out what information should be distributed to landlords. The Attorney General's Office (AGO) to publish model lease provisions regarding rent increases and must do so in multiple languages.

Section 106 - Amends RCW 59.18.140. Includes written notice of rent increases.

Section 107 - Amends RCW 59.18.270 to set limit on move-in fees and security deposits.

Section 108 - Amends RCW 59.18.170 to set limits on late fees.

Part II – Manufactured and Mobile Home Landlord Tenant Act

Section 201 - New section added to chapter 59.20 RCW. Set limitations around a landlords ability to increase rent. Violations of this section may result in the landlord owing damages to the tenant including attorney fees and costs. Also sets out a defense for eviction is rent was increased contrary to this statute.

Section 202 - New section added to chapter 59.20 RCW. Limitations on increases in rent with some exemptions.

Section 203 - New section added to chapter 59.20 RCW. Notice requirement for annual rent and fee increases.

Section 204 - New section added chapter 59.20 RCW. Applies CPA to Sections 201 through 203.

Section 205 - Amends RCW 59.20.090 to include written notice of rent increases. Also makes allowances to terminate tenancy.

Section 206 - Amends RCW 59.20.170 to set limits on move in fees and security deposits.

Section 207 - Amends RCW 59.20.060 to set limits on late fees.

Section 208 - Amends RCW 59.0.030 to add definition of rent.

Part III – Miscellaneous

Section 301 - New section. Effective immediately.

Section 302 - New section. If funding is not provided by June 30, 2024 the act is null and void.

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.

Attorney General’s Office (AGO) Consumer Protection Division (CPR) and Administrative Division (ADM) activities are funded with General Fund-State (GF-S) 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 King County office building.

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 FTE (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 Paralegal 1 FTE (PL) and 0.4 MA.

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

FY 2025 and FY 2026: AAG duties will include investigating potential violations, drawing conclusions from investigations, drafting Civil Investigative Demands (CID), and discovery requests in addition to drafting and filing pleadings. PL1 and Paralegal 2 (PL2) duties will include managing documents, drafting CID, discovery requests, and managing responses. Senior Investigator (INV) duties will include interviewing witnesses, reviewing investigative records such as consumer leases, and attending to other investigative tasks as assigned. \$31,000 total direct litigation costs in FY 2025 and FY 2026. Depositions to aid in enforcement (\$3,000 each, estimated six depositions at \$18,000); travel expenses for depositions, witness interviews, and other (\$3,000); e-document management costs (\$10,000).

FY 2027: AAG duties will include investigating potential violations, drawing conclusions from investigations, drafting CID, and discovery requests in addition to drafting and filing pleadings. PL1 and PL2 duties will include managing documents, drafting CID, discovery requests, and managing responses. INV duties will include interviewing witnesses, reviewing investigative records such as consumer leases, and attending to other investigative tasks as assigned. \$16,000 total direct litigation costs in FY 2027. Depositions to aid in enforcement (\$3,000 each, estimated three depositions at \$9,000); travel expenses for depositions, witness interviews, and other (\$2,000); e-document management costs (\$5,000).

AGO CPR activities are funded with General Fund-State dollars. CPR enforces the Consumer Protection Act (CPA) with respect to conduct that is made unlawful under RCW 19.86.020, which broadly prohibits unfair or deceptive acts or practices in trade or commerce. CPR focus is on representations and failures to disclose terms and conditions.

CPR: Total King County workload impact:

FY 2025: \$557,000 for 1.0 AAG, 0.8 INV, 0.8 PL2, and 0.5 PL1, which includes direct litigation costs of \$31,000

FY 2026: \$480,000 for 0.8 AAG, 0.8 INV, 0.8 PL2, and 0.4 PL1, which includes direct litigation costs of \$31,000

FY 2027: \$243,000 for 0.5 AAG, 0.3 INV, 0.3 PL2, and 0.3 PL1, which includes direct litigation costs of \$16,000

2. Assumptions for the AGO Administration Division (ADM) Legal Services:

FY 2025: The Senior Policy Analyst (PA) will do research, consultation for the model lease provisions regarding rent and fee increases as described in the bill, and complete and publish the final product. AGO assumes this hard copy version cost to be \$150,000. Language translation for the top ten spoken languages as indicated in the bill will result in \$20,000 in additional costs in FY 2025.

FY 2027 and FY 2029: \$170,000 for an up-to-date hard copy version (\$150,000) and language translation for the top ten spoken languages as indicated in the bill (\$20,000).

ADM: Total King County workload impact:

FY 2025: \$353,000 for 1.0 FTE PA, which includes direct litigation and additional costs of \$170,000

FY 2027 and FY 2029: \$170,000 in publishing and translator costs

3. The AGO CPR has reviewed this bill and determined it will not increase or decrease the division’s workload in representing the Human Rights Commission (HUM). Therefore, no costs are included in this request.

AGO Total workload impact:

FY 2025: \$910,000 for 1.0 AAG, 0.8 INV, 0.8 PL2, 0.5 PL1, and 1.0 PA, which includes direct litigation and additional costs of \$201,000

FY 2026: \$480,000 for 0.8 AAG, 0.8 INV, 0.8 PL2, and 0.4 PL1, which includes direct litigation costs of \$31,000

FY 2027: \$413,000 for 0.5 AAG, 0.3 INV, 0.3 PL2, and 0.3 PL1, which includes direct litigation and additional costs of \$186,000

FY 2029: \$170,000 for publication and translation costs

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	0	910,000	910,000	893,000	170,000
Total \$			0	910,000	910,000	893,000	170,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		4.7	2.4	2.4	
A-Salaries and Wages		483,000	483,000	455,000	
B-Employee Benefits		147,000	147,000	140,000	
E-Goods and Other Services		273,000	273,000	288,000	170,000
G-Travel		7,000	7,000	10,000	
Total \$	0	910,000	910,000	893,000	170,000

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	135,555		1.0	0.5	0.7	
Management Analyst 5	95,184		0.6	0.3	0.3	
Paralegal 1-Seattle	72,528		0.5	0.3	0.4	
Paralegal 2-Seattle	79,992		0.8	0.4	0.6	
Policy Analyst - ADM	110,000		1.0	0.5		
Senior Investigator-Seattle	105,012		0.8	0.4	0.6	
Total FTEs			4.7	2.4	2.4	0.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Consumer Protection Division GFS (CPR)		557,000	557,000	723,000	
Headquarters Administration GFS (POL)		353,000	353,000	170,000	170,000
Total \$		910,000	910,000	893,000	170,000

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: 2114 S HB	Title: Residential tenants	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: 02/12/2024
Agency Preparation: Hayley Tresenriter	Phone: 360-725-3042	Date: 02/16/2024
Agency Approval: Hayley Tresenriter	Phone: 360-725-3042	Date: 02/16/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/16/2024

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.

Comparison of SHB 2114 to the original bill:

Section 101(3): Language is added to remove exemptions for landlords.

Section 102 (1)(b): Removes impacts to non-profit organizations and public housing authorities.

Section 302: Adds the requirement to make this act null if no funding is provided.

SHB 2114 Summary:

Section 1: A new section introduces HB and the need to address the affordable housing crisis in Washington State.

Section 105 : A new section adds language to RCW 59.18 that requires the Department of Commerce to create and maintain an online landlord resource center to distribute laws, guidelines, and resources on programs available for landlords and tenants. This resource center will publish documentation provided by the Washington State Attorney General's office; the resources center must be prepared to publish the ATG documents before January 1, 2025. This section will require a minor impact on Commerce that can be absorbed into the current staffing. Website changes and information/resource gathering should take less than 40 hours for the entire year. Ongoing maintenance and updating will take minimal time; therefore, there will be no fiscal impact on the Department of Commerce.

Section 106(3)(c): Requires landlord to provide written notice; this subsection omits exempt organizations from this requirement; therefore, there is no fiscal impact to the Department of Commerce.

Section 107(1)(c): Provided further guidelines for landlords on rent increase notices; this subsection omits exempt organizations from this requirement; therefore, there is no fiscal impact to the Department of Commerce.

Section 108(1)(f)(iii): Adds provisions for tenants to terminate rental agreements due to rent increases. This subsection exempts nonprofit organizations from this requirement; therefore, there is no fiscal impact on the Department of Commerce.

Section 205(2-3): Omit exempt organizations from this landlord requirement; therefore, there is no fiscal impact on the Department of Commerce.

Section 207(2)(j): provides landlords of mobile homes guidance around late fees; section cites the Department of Commerce's "Monthly Labor Review and Handbook of Labor Statistics" but has no fiscal impact on the Department of Commerce.

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.

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 105 requires the Department to create and maintain an online landlord resource center to distribute laws, guidelines, and resources on programs available for landlords and tenants. This section will create a minor impact on Commerce that can be absorbed into current staffing levels. Website changes and information/resource gathering should take less than 40 hours for the entire year. Ongoing maintenance and updating will take minimal time; therefore, there will be no fiscal impact on the Department of Commerce.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

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

Part V: New Rule Making Required

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