Multiple Agency Fiscal Note Summary

Bill Number: 1217 E HB	**Title:** Residential tenants

Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	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	.6	188,000	188,000	188,000	.6	188,000	188,000	188,000	.6	188,000	188,000	188,000
Department of Commerce	.3	320,462	320,462	320,462	.2	210,231	210,231	210,231	.0	0	0	0
Department of Commerce	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total $	**0.9**	**508,462**	**508,462**	**508,462**	**0.8**	**398,231**	**398,231**	**398,231**	**0.6**	**188,000**	**188,000**	**188,000**

Agency Name	2025-27			2027-29			2029-31		
	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			1,808						
Local Gov. Other	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Local Gov. Total			1,808						

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	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	2025-27			2027-29			2029-31		
	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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Val Terre, OFM	**Phone:** (360) 280-3073	**Date Published:** Final 4/ 1/2025

Judicial Impact Fiscal Note

Bill Number: 1217 E HB	Title: Residential tenants	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 fo 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	Bill Fosbre	Phone: 360-786-7531	Date: 03/12/2025
Agency Preparation:	Chris Conn	Phone: 360-704-5512	Date: 03/31/2025
Agency Approval:	Chris Stanley	Phone: 360-357-2406	Date: 03/31/2025
OFM Review:	Gaius Horton	Phone: (360) 819-3112	Date: 03/31/2025

Part II: Narrative Explanation

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

This bill seeks to limit rent and fee increases for tenants subject to the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act, requires notice of rent and fee increases, limits fees and deposits, establishes a landlord resource center and associated services, authorizes tenant lease termination, creates parity between lease types, and provides for attorney general enforcement.

II. B - Cash Receipts Impact

None

II. C - Expenditures

ADMINISTRATIVE OFFICE OF THE COURTS

This bill is indeterminate. Caseloads will increase to the extent that tenants sue for violations, but the number could be significant. The Administrative Office of the Courts (AOC) has no data available to estimate the number of cases that would be filed because of this bill.

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

None

Individual State Agency Fiscal Note

Bill Number: 1217 E HB	Title: Residential tenants	Agency: 100-Office of Attorney General

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.6	0.6	0.6	0.6	0.6
Account					
General Fund-State 001-1	94,000	94,000	188,000	188,000	188,000
Total $	94,000	94,000	188,000	188,000	188,000

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:	Bill Fosbre	Phone: 360-786-7531	Date: 03/12/2025
Agency Preparation:	Cassandra Jones	Phone: 360-709-6028	Date: 03/17/2025
Agency Approval:	Leah Snow	Phone: 360-586-2104	Date: 03/17/2025
OFM Review:	Val Terre	Phone: (360) 280-3073	Date: 03/19/2025

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.

Part I – Residential Landlord-Tenant Act
Section 101: New section. Prohibits a landlord from increasing rent for any type of tenancy during the first 12 months after the tenancy begins and during any 12-month period in an amount greater than seven percent, with exemptions. Allows a tenant to terminate the rental agreement, with notice, if the landlord increases rent and fees above the allowable amount based on an exemption. Allows a tenant or the Attorney General's Office (AGO) to bring an Action to enforce compliance with section and section 102.
Section 102: New section. Contains exemptions from the prohibition on rent increases.
Section 103: New section. Specifies the form for rental increase notices that landlords must use.
Section 104: Amends RCW 59.18.140 to specify time periods for notice of a rental increase for tenants whose lease or rental agreement was entered into or renewed before the effective date of the section.

Part II – Manufactured/Mobile Home Landlord-Tenant Act
Section 201: New section. Prohibits a landlord from increasing rent for any type of tenancy during the first 12 months after the tenancy begins and during any 12 month period in an amount greater than seven percent, with exemptions. Allows a tenant to terminate the rental agreement, with notice, if the landlord increases rent and fees above the allowable amount based on an exemption. Allows a tenant or the AGO to bring an action to enforce compliance with section and other provisions of law.
Section 202: New section. Contains exemptions from the prohibition on rent increases.
Section 203: New section. Specifies the form for rental increase notices that landlords must use.
Section 204: Amends RCW 59.20.170 by limiting the amount a landlord may charge a tenant for move-in fees or security deposits. Removes language relating to interest accruing on deposit amounts.
Section 205: Amends RCW 59.20.060 by specifying when a landlord may charge fees for late rent and limits the amounts that may be collected.
Section 206: Amends RCW 59.20.030 by adding a definition for "rent" or "rental amount."

Part III – Miscellaneous
Section 301: New section. Emergency clause.
Section 302: New section. Severability clause.
Section 303: New section. Requires Commerce to contract with an independent third party to carry out a social vulnerability assessment of the impacts of the Act. Makes the assessment due to the Legislature by June 30, 2028.
Section 304: New section. Makes the act null and void if not funded in the budget by June 30, 2025.

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.

The Attorney General's Office (AGO) Consumer Protection Division (CPR) activities require General Fund-State. CPR enforces the Consumer Protection Act (CPA) against entities who violate RCW 19.86.020, which broadly prohibits unfair or deceptive acts or practices in trade or commerce. CPR's focus is on holding businesses and individuals accountable for conduct that misleads consumers. There is no cash receipt impact.

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 is assumed 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 (PL1) and 0.4 MA.

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

The AGO CPR activities require General Fund-State. CPR enforces the Consumer Protection Act (CPA) against entities who violate RCW 19.86.020, which broadly prohibits unfair or deceptive acts or practices in trade or commerce. CPR's focus is on holding businesses and individuals accountable for conduct that misleads consumers.

The original version of this bill provided for CPA enforcement. This version removes CPA enforcement and now provides that: "A tenant or the AGO may bring an action in a court of competent jurisdiction to enforce compliance" with certain sections of the bill. (Sections 101(5) and 201(4)). These provisions also provide that, if the court finds a violation, "the court shall award the following damages and attorneys' fees and costs to the tenant…." This provision, therefore, appears to provide a cause of action for the AGO to bring on behalf of tenants, pursuant to which the court may award damages and attorneys' fees and costs to tenants. These provisions are ambiguous, however, regarding whether the AGO may also recover attorneys' fees and costs. For purposes of this analysis, we assume the legislature intends that the AGO shall be able to recover enforcement costs and fees. Because the CPA enforcement provision has been removed, it is not clear which AGO division would be tasked with bringing enforcement actions under new Sections 101(5) and 201(4). For purposes of this analysis, we assume CPR would be the Division that brings such actions. AGO assumes a high degree of landlord compliance due to the enforcement provisions, although we expect a decrease in compliance relative to the prior version of the bill, since CPA remedies are no longer available, which lowers the risk of non-compliance for landlords. AGO assumes that tenants and tenants' rights organizations will bring actions to enforce the bill, lowering the enforcement burden for the AGO. Specifically with respect to the Mobile Home Landlord-Tenant Act amendments, we assume that the manufactured housing program will see an overall decrease in the number of complaints because of the bill that will offset increased enforcement activity.

CPR: Total workload hours:
FY 2026 and in each FY thereafter: 360 AAG hours

CPR: Total King County workload impact:
FY 2026 and in each FY thereafter: $94,000 for 0.2 AAG, 0.2 Senior Investigator Analyst FTE (INV), and 0.1 PL1

2. The AGO Policy Division (POL) has reviewed this bill and determined it will not increase or decrease the division's workload. The model lease provision has been removed from the bill, so there is no longer a need for policy analysis and outreach. Therefore, no costs are included in this request.

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 in representing the Department of Commerce (Commerce). 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 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	94,000	94,000	188,000	188,000	188,000
		Total $	94,000	94,000	188,000	188,000	188,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.6	0.6	0.6	0.6	0.6
A-Salaries and Wages	64,000	64,000	128,000	128,000	128,000
B-Employee Benefits	19,000	19,000	38,000	38,000	38,000
E-Goods and Other Services	10,000	10,000	20,000	20,000	20,000
G-Travel	1,000	1,000	2,000	2,000	2,000
Total $	94,000	94,000	188,000	188,000	188,000

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 2026	FY 2027	2025-27	2027-29	2029-31
Assistant Attorney General-King County	139,558	0.2	0.2	0.2	0.2	0.2
Management Analyst 5	98,040	0.1	0.1	0.1	0.1	0.1
Paralegal 1-King County	74,700	0.1	0.1	0.1	0.1	0.1
Senior Investigator-King County	108,156	0.2	0.2	0.2	0.2	0.2
Total FTEs		0.6	0.6	0.6	0.6	0.6

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Consumer Protection Division (CPR)	94,000	94,000	188,000	188,000	188,000
Total $	94,000	94,000	188,000	188,000	188,000

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: 1217 E HB	Title: Residential tenants	Agency: 103-Department of Commerce

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.3	0.3	0.2	0.0
Account					
General Fund-State 001-1	160,231	160,231	320,462	210,231	0
Total $	160,231	160,231	320,462	210,231	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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:	Bill Fosbre	Phone: 360-786-7531	Date: 03/12/2025
Agency Preparation:	John Triance	Phone: 360-725-2828	Date: 03/17/2025
Agency Approval:	Paul Bitar	Phone: 3607014882	Date: 03/17/2025
OFM Review:	Marie Davis	Phone: (360) 890-1163	Date: 03/19/2025

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 303 requires the Department of Commerce (Department) contract with a third-party to conduct a Social Vulnerability Impact assessment, measuring the following consequences of the bill: measuring impacts to existing tenancies, measuring impacts to the social vulnerability of immutable characteristic subpopulations and/or housing cost-burdened subpopulations, evaluating impacts on new or transitioning renters due to the bill's rent caps, assessing impacts on other rental markets such as short-term or vacation rentals, and evaluating impacts on state-owned or state-funded or state-run housing units.

Staffing and procurement for this project and contracting for third-party services would have a fiscal impact on the Department.

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.

No cash receipts impact.

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 303 requires the Department to contract with a third-party for the Social Vulnerability Assessment, subject to fund availability and requires submission of the assessment by June 30, 2028.

Project management of the Social Vulnerability Assessment
0.20 FTE Management Analyst 4 (518 hours) for FY26 through FY28 oversee and ensure quality of the assessment.
0.10 FTE Washington Management Services 3 (209 hours) for FY26 through FY28 oversee and ensure quality of the assessment.
FY29-FY31 No impact

Estimated procurement cost based on bill's requirements.

For illustrative purposes, the Department identified a recent consultant contract with a comparable scope and timeframe and adjusted it based on inflationary factors. The best estimate is $300,000 - $350,000. However, the exact cost is indeterminate.

Cost Summary:
FY26-FY28 0.2 Management Analyst 4
FY26-FY28 0.1 WMS3
FY29-FY31 No impact

Salaries and Benefits
FY26-FY28: $41,859 per fiscal year

Professional Service Contracts
FY26-FY27: $100,000 per fiscal year

FY28: $150,000

Goods and Other Services
FY26-FY28: $4,300 per fiscal year

Travel
FY26-FY28: $300 per fiscal year

Intra-agency Reimbursements
FY26-FY28: $13,772

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

==========

Total Costs
FY26-FY27: $160,231 per fiscal year
FY28: $210,231

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	160,231	160,231	320,462	210,231	0
		Total $	160,231	160,231	320,462	210,231	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.3	0.3	0.2	
A-Salaries and Wages	32,010	32,010	64,020	32,010	
B-Employee Benefits	9,849	9,849	19,698	9,849	
C-Professional Service Contracts	100,000	100,000	200,000	150,000	
E-Goods and Other Services	4,300	4,300	8,600	4,300	
G-Travel	300	300	600	300	
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	13,772	13,772	27,544	13,772	
9-					
Total $	160,231	160,231	320,462	210,231	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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 2026	FY 2027	2025-27	2027-29	2029-31
Management Analyst 4	88,794	0.2	0.2	0.2	0.1	
Washington Management Services Band 3	142,511	0.1	0.1	0.1	0.1	
Total FTEs		0.3	0.3	0.3	0.2	0.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Housing Division (400)	160,231	160,231	320,462	210,231	
Total $	160,231	160,231	320,462	210,231	

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

No capital budget impact.

Part V: New Rule Making Required

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1217 E HB	**Title:** Residential tenants

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

[X] Cities: Cities that currently regulate tenancies at the local level would need to amend their codes, if in conflict.

[ ] Counties:

[ ] Special Districts:

[X] Specific jurisdictions only: Seattle, Auburn, Burien, Tacoma, and Olympia

[ ] Variance occurs due to:

Part II: Estimates

[ ] No fiscal impacts.

[X] Expenditures represent one-time costs: Ordinance adoption and accompanying analysis.

[X] Legislation provides local option: Local governments have the option to adopt policies, ordinances, or other regulations to enforce this act.

[X] Key variables cannot be estimated with certainty at this time: The number of local governments that will adopt rent stabilization ordinances.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Jurisdiction	FY 2026	FY 2027	2025-27	2027-29	2029-31
City	1,808		1,808		
TOTAL $	1,808		1,808		
GRAND TOTAL $					1,808

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Hailey Brown	Phone: 360-725-5035	Date: 03/19/2025
Leg. Committee Contact: Bill Fosbre	Phone: 360-786-7531	Date: 03/12/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 03/19/2025
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 03/19/2025

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

CHANGES BETWEEN THIS VERSION AND THE PRIOR VERSION OF THE BILL:
The option for cities and counties to adopt policies, ordinances, or other regulations to enforce the legislation in Section 101 and Section 201 is removed and replaced with a cause of action provision which allows a tenant or the Attorney General to bring a court action to enforce compliance with the act. Although it is not the responsibility of the local government to enforce the act, the five cities that regulate tenancies must still review their code to ensure compliance. Expenditure impacts of local governments to update their code remain the same and are discussed below.

Sec. 105 is removed which strikes the responsibility for the Department of Commerce to create an online landlord resource center to distribute information to landlords about available programs, including local government resources.

SUMMARY OF CURRENT BILL:
This bill establishes rent stabilization policies in the state of Washington. These policies would limit rent, and fee increases to seven percent during any 12-month period and prohibits rent and fee increases during the first 12 months of a tenancy for tenants subject to the Residential Landlord-Tenant Act and the Manufactured/Mobile Home Landlord-Tenant Act with certain exemptions for public housing authorities, public development authorities, and certain nonprofit entities described in Sec. 102.

Sec. 301 contains an emergency clause which takes effect immediately.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:
This version of the bill creates an indeterminate expenditure decrease. In addition, the bill creates expenditure increases, both known and indeterminate, which remain the same from the prior version of the bill.

The previous bill version gave local governments the option to adopt policies, ordinance, or other regulations to enforce the act. However, this provision was struck from the current version of the bill. If cities decide to remove sections of their municipal code and let the state enforce the bill provisions instead there may be less staff time spent enforcing their municipal code for tenant relocation assistance.

For example, the City of Olympia's code requires payment of tenant relocation assistance for a rent increase of 7% or more annually. Olympia may decide to remove this, as most properties will be prohibited from increasing rent by more than 7% annually. If Olympia removes this from their code, there will be less staff time enforcing their municipal code.

The cities that would decide to eliminate sections of existing code to allow the state to enforce these bill provisions is currently unknown as it will be up to their governing body to decide. Additionally, the amount of staff time currently spent on enforcing payment of tenant relocation assistance for a rent increase of more than 7% annually is unknown. These factors increase the indeterminate expenditure impacts of this bill.

EXPENDITURE IMPACTS OF CURRENT BILL:
This legislation has both determinate and indeterminate expenditure impacts.

This legislation requires cities and counties to adopt policies, ordinances, or other regulations to comply with the provisions outlined in this act. Currently, there are five cities that regulate tenancies: Seattle, Auburn, Burien, Tacoma, and Olympia. These cities will need to review their codes to determine if they are in conflict with the legislation. The Local Government Fiscal Note Program's (LGFN) cost model estimates the average professional compensation at the local level to be $72.33

per hour, including benefits and overhead. Costs to local governments would depend upon the staff time required for each affected local government to review their code. For illustrative purposes, the city of Olympia estimates city staff would need up to 5 hours for code review at a total cost of $1,808.25 as follows:

$72.33 x 5 hours x 5 cities = $1,808.25

Additional staff costs would be required if the code needed to be amended as follows:

The typical cost to adopt an ordinance per jurisdiction ranges from $675 for a simple ordinance to $6,775 for a complex ordinance. These costs include costs for draft ordinances, advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information. The LGFN program has determined this ordinance to be complex. However, since there is currently no requirement to adopt new ordinances under this legislation, these costs are speculative and indeterminate for those jurisdictions that do not currently regulate tenancies.

Note: These cost estimates are for only one meeting or staff report, more complex ordinances would likely require more meetings and potentially more staff reports. There would be further costs associated with enforcing or executing the ordinance. These costs are indeterminate.

There may be indeterminate expenditure decreases for cities that remove tenant relocation assistance enforcement from their municipal code. Cities may decide to remove such provisions from their municipal code and allow the State to enforce provisions instead, leading to a potential decrease in staff time spent on enforcement.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

CHANGES IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:
Changes do not alter the original impact analysis.

REVENUE IMPACTS OF CURRENT BILL:
This legislation would not impact local government revenues.

SOURCES
Association of Washington Cities (AWC)
City of Olympia
Local Government Fiscal Note Program (LGFN) 2025 Unit Cost Model
Municipal Research and Services Center (MRSC)
Washington State Association of Counties (WSAC)