Multiple Agency Fiscal Note Summary

Bill Number: 1217 HB s-2454.1	**Title:** Residential tenants

Estimated Cash Receipts

NONE

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	Fiscal note not available					
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

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	Fiscal note not available											
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	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**0.6**	**188,000**	**188,000**	**188,000**	**0.6**	**188,000**	**188,000**	**188,000**	**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	Fiscal note not available								
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	Fiscal note not available								
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	Fiscal note not available								
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:** Preliminary 4/ 3/2025

Individual State Agency Fiscal Note

Bill Number: 1217 HB s-2454.1	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: 03/26/2025
Agency Preparation:	Amy Flanigan	Phone: 509-456-3123	Date: 03/31/2025
Agency Approval:	Leah Snow	Phone: 360-586-2104	Date: 03/31/2025
OFM Review:	Val Terre	Phone: (360) 280-3073	Date: 04/01/2025

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. Allows the AGO to bring an action whether or not the tenant has offered the landlord an opportunity to cure and may recover civil penalties. Authorizes the AGO to issue written investigative demands for pertinent documents, answers to written interrogatories, or oral testimony as required to investigate or bring an action. Provides that the section expires the section on July 1, 2045.
Section 102: New section. Contains exemptions from the prohibition on rent increases. Provides that the section expires the section on July 1, 2045.
Section 103: New section. Specifies the form for rental increase notices that landlords must use. Provides that the section expires the section on July 1, 2045.
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 (MHLTA)
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 five 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. Makes the Act null and void if not funded in the budget by June 30, 2025.
Section 304: New section. Requires the Joint Legislative Audit and Review Committee (JLARC) to perform an analysis on housing market trends, tenant stability and turnover, and related issues. Requires that the analysis include an evaluation of social vulnerability impacts.

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.

AGO assumes a high degree of landlord compliance due to the enforcement provisions, although we expect a decrease in compliance relative to the original version of the bill, since remedies provided by the CPA are no longer available to private litigants in this version, 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 (MHLTA) amendments, AGO assumes 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. 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.

4. The AGO Civil Rights Division (CRD) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are 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-Seattle	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-Seattle	74,700	0.1	0.1	0.1	0.1	0.1
Senior Investigator-Seattle	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 HB s-2454.1	Title: Residential tenants	Agency: 103-Department of Commerce

Part I: Estimates

[X] **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:	Bill Fosbre	Phone: 360-786-7531	Date: 03/26/2025
Agency Preparation:	John Triance	Phone: 360-725-2828	Date: 03/31/2025
Agency Approval:	Justin Rogers	Phone: 360-810-1148	Date: 03/31/2025
OFM Review:	Marie Davis	Phone: (360) 890-1163	Date: 04/01/2025

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 previously contained a required report to be overseen by the Department of Commerce. This section has been removed and there is no longer a fiscal impact to 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.

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 fiscal impact to 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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1217 HB s-2454.1	**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: 04/01/2025
Leg. Committee Contact: Bill Fosbre	Phone: 360-786-7531	Date: 03/26/2025
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 04/01/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 04/02/2025

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:

-- Removes from the notice of rent increase the requirement that when a landlord is claiming an exemption that the landlord must do so under penalty perjury.

-- Sets an expiration date of July 1, 2045, for the first three sections of the bill.

-- Requires the joint legislative audit and review committee to analyze the effects of the act and provide the analysis to the appropriate committees of the legislature within 10 years of the effective date of the act.

-- Clarifies the tenant receives damages awarded if either the tenant or the attorney general brings an action for a violation of the statute, and if attorneys' fees and costs are awarded, they go to who filed the lawsuit.

-- Authorizes the attorney general to bring an action notwithstanding whether the tenant has offered the landlord an opportunity to cure, and may recover civil penalties of not more than $7,500 for each violation in addition to other remedies provided by the act.

-- Provides the attorney general with authority to issue written civil investigative demands for pertinent documents, answers to written interrogatories, or oral testimony as required to investigate or bring an action.

-- Changes the rent increase cap for manufactured/mobile home landlord-tenant act from seven percent to five percent.

-- Removes the rent increase cap limitation when a rental agreement is transferred according to statute due to a former tenant's sale of a manufactured/mobile home when the landlord exercises the option to make a one-time increase to the rent for the manufactured/mobile home lot at the time of first renewal of the rental agreement after the transfer.

-- Eliminates the requirement that the department of commerce contract with an independent third party to carry out a social vulnerability assessment of the impacts of this act.

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.

An expiration date of July 1, 2045, is set for the first three sections of the bill.

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:

The changes do not alter the previous impact analysis for local government expenditures.

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.

MUNICIPAL CODE CHANGES
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.

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.

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)