

CONSUMER ALERT KNOW YOUR RESPONSIBILITIES

Landlord Obligations Under Washington's Rent Stabilization Law

On May 7, 2025, a rent stabilization law (<u>HB 1217</u>) went into effect in Washington state, setting a limit on how much a landlord may increase a tenant's rent over a 12-month period. The law amended both the <u>Residential Landlord Tenant Act (RLTA)</u>, Chapter 59.18 RCW, and the <u>Manufactured/Mobile Home Landlord Tenant Act (MHLTA)</u>, Chapter 59.20 RCW.

This FAQ is intended to help landlords understand their responsibilities under the new law.

FREQUENTLY ASKED QUESTIONS

1. Who must comply with the rent stabilization law?

The law applies to all residential tenancies in Washington state, including rentals covered by the Residential Landlord Tenant Act (RLTA), Chapter 59.18 RCW, and manufactured/mobile home communities covered by the Manufactured Housing Landlord Tenant Act (MHLTA), Chapter 59.20 RCW. Any landlord who rents residential property should be aware of and comply with HB 1217. The law contains exemptions for certain types of tenancies. (See #11 below for a list of exemptions and #12 for information on how to claim an exemption.)

2. How much can rent be raised under the rent stabilization law?

<u>For residential tenancies outside manufactured/mobile home parks:</u> the maximum annual rent increase percentage over a 12-month period is either 10% or 7% plus the consumer price index (CPI), whichever is less. The Washington State Department of Commerce determines the CPI and publishes the maximum annual rent increase percentage for residential tenancies on its website: <u>HB 1217 Landlord Resource Center – Washington State Department of Commerce</u>. The maximum annual rent increase percentage allowed through Dec. 31, 2025, is 10%, and between Jan. 1, 2026, and Dec. 31, 2026, it's 9.683%.

For manufactured/mobile home tenancies: rent may not be increased during any 12-month period by more than 5%.

<u>For all residential tenancies:</u> rent may not be raised in any amount during the first 12 months of the tenancy, regardless of whether a rental agreement is month-to-month or for a fixed term.

3. When did the law go into effect?

HB 1217 went into effect on May 7, 2025.

4. Does the rent stabilization law apply to rental agreements signed before May 7, 2025?

Yes. There is no exception in HB 1217 for rental agreements signed prior to May 7, 2025. Any rent increases that take effect after May 7, 2025, may violate HB 1217, even if notice of the rent increase was sent, received, or mutually agreed to prior to May 7, 2025.

5. Are leases exempt from all provisions of HB 1217 if the rent increase is below the cap?

No. HB 1217 made other changes to landlord-tenant law in Washington state (these are detailed in #8 below). Landlords must ensure that all parts of their rental agreements comply with the rent stabilization law.

6. How much notice do landlords have to give tenants before raising the rent?

Residential landlords must provide tenants with at least 90 days' prior written notice of a rental increase in any amount. Manufactured/mobile home tenants must receive at least three months' notice prior to their anniversary date of a rental increase in any amount. Longer notice periods may be required under city, county, town, or other local municipal ordinances. Notices must comply with RCW 59.18.140 (residential tenancies) or RCW 59.20.090(2) (manufactured/mobile home tenancies) and be served in accordance with RCW 59.12.040.



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7. What form of notice do landlords have to give tenants before raising the rent?

HB 1217 requires landlords to issue a detailed form of written notice of rent increases. Forms must be substantially similar to the form provided in HB 1217. Sample forms are available on the <u>Department of Commerce's Landlord Resource Center</u> webpage.

8. Did HB 1217 make other changes to landlord-tenant law in Washington with which landlords need to comply?

Yes, in addition to placing limits on the amount of rental increases, HB 1217 made several other changes to landlord-tenant law:

- Lease parity (residential tenancies): Residential tenants may not be charged more than a 5% difference in rent depending on the type of rental agreement. For example, this prevents landlords from charging month-to-month renters more than 5% of the rent offered to annual lease holders, or vice versa. Landlords also may not require different terms of payment or material conditions that are more burdensome to a tenant because of the type of rental agreement. This prevents, for example, a landlord from requiring month-to-month renters to pay in cash while allowing others to pay by check.
- Move-in fee and security deposit limits (manufactured/mobile home tenancies): For manufactured/mobile home tenancies, move-in fees and security deposits combined may not exceed one month's rent, unless the tenant has pets, in which case move-in fees and security deposits combined may not exceed two months' rent.
- Late fee limits (manufactured/mobile home tenancies): Landlords may not charge a late fee for rent that is paid within five days following its due date. Thereafter, late fees may not exceed 2% of the tenant's total rent per month during the first month that rent is past due, 3% of the tenant's total rent per month during the second consecutive month that rent is past due, and 5% of the tenant's total rent per month due during the third and all subsequent consecutive months that rent is past due.
- Utilities are included in rent amount (manufactured/mobile home tenancies): The "rent" or "rental amount" for purposes of HB 1217 and the MHLTA includes utility charges. This means that if utility charges go up, those increases should be included when calculating the rent increase allowed under HB 1217. For other residential tenancies, where the agreement includes utilities in the charges for use and occupancy, the total amount of the tenant's payment is "rent."
- **Prohibition on reporting tenants to tenant screening services:** If a landlord unlawfully tries to raise rent higher than the maximum allowed, the landlord may not report tenants to tenant screening services for failure to pay the portion of the rent increase that violated the law.

Landlords are responsible for complying with all provisions of the <u>RLTA</u> and the <u>MHLTA</u> that were not changed by HB 1217, as well as applicable city, county, town, or other local municipal ordinances.

9. If a lease agreement includes a concession such as a discount on monthly rent, does the rent increase limit apply to the discounted rate or the original rate?

How a rent concession impacts the rent increase calculation will depend on the specific facts and the terms of a rental agreement. Landlords, however, cannot contract around the new law by advertising a low rent and listing a higher rent in the lease to artificially increase the amount that rent subsequently can be raised. As a rule of thumb, using the lowest rental rate as a base for calculating the rent increase limit is likely the most conservative approach, and lease parity rules may also apply. Landlords should contact a private attorney for questions about the application of this law in specific situations where they offer monthly rental discounts.



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10. What are the consequences if a landlord violates HB 1217?

Both individual tenants and the attorney general may enforce HB 1217, but the requirements and remedies for those actions are different.

Every violation of the rent stabilization law is subject to civil penalties of up to \$7,500 and an award of attorneys' fees and costs, and any other remedies provided by law. For tenants, additional remedies for violations of HB 1217 include (1) damages in the amount of any excess rent, fees, or other costs paid by a tenant; and/or (2) damages in an amount up to three months of any unlawful rent, fees, or other costs charged by the landlord. Tenants must give their landlord an opportunity to cure an unauthorized rent increase by providing the landlord a written demand before the tenant can bring an enforcement action. The attorney general does not need to provide landlords with an opportunity to cure and may bring an enforcement action, regardless of whether the tenant has done so.

11. Are there any exemptions to HB 1217? What do the exemptions apply to?

Yes, there are some circumstances in which the limits for rent increases will not apply. These can be found in <u>RCW 59.18.710</u> for residential landlords and <u>RCW 59.20.380</u> for manufactured/mobile home landlords. Importantly, the exemptions only apply to rent increases, not to parity or other requirements.

Residential landlords may be able to increase rent more than the maximum allowable amount under HB 1217 if any of the following are true:

- The first certificate of occupancy for the dwelling unit was issued 12 years or less before the date of the rent increase notice.
- The dwelling unit is owned by a public housing authority, public development authority, or nonprofit organization where maximum rents are regulated by other laws or affordable housing program requirements, or a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by a public housing authority, public development authority, or nonprofit organization.
- The dwelling unit is part of a qualified low-income housing development which was allocated federal low-income housing tax credits by the Washington State Housing Finance Commission and there is an enforceable regulatory agreement under the low-income housing tax credit program.
- The tenant shares a bathroom or kitchen facility with the owner, and the owner maintains a principal residence at the residential real property.
- The dwelling unit is a single-family, owner-occupied residence in which the owner-occupant rents or leases no more than two units or bedrooms including, but not limited to, an attached or detached accessory dwelling unit.
- The dwelling unit is a duplex, triplex, or fourplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, and the owner continues in occupancy.

Owners of manufactured or mobile home communities may be able to increase rent more than the maximum allowable amount under HB 1217 if any of the following are true:

- The manufactured/mobile home lot is owned by a public housing authority, public development authority, or nonprofit organization where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements, or a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by a public housing authority, public development authority, or nonprofit organization.
- The manufactured/mobile home community was purchased during the past 12 months by an eligible
 organization as defined in RCW 59.20.030 whose mission includes the long-term preservation and affordability
 of the manufactured/mobile home community. This may apply if the increase is needed to cover the cost
 of purchasing the community and the increase is approved by the majority of the home owners in the
 manufactured/mobile home community.
- The manufactured/mobile home lot rental agreement is up for first renewal after it was transferred under RCW 59.20.073, so a landlord is allowed to make a one-time increase to rent and other recurring or periodic charges in an amount not limited by HB 1217. In order to exercise this one-time increase option, the landlord must provide residents with notice of this option prior to the final transfer of the rental agreement.

12. How can landlords claim an exemption under HB 1217?

To claim an exemption, landlords must provide tenants with a detailed written notice that identifies the specific exemption. Sample forms are available on the <u>Department of Commerce's Landlord Resource Center webpage</u>.

13. Where should I go if I have additional questions about my responsibilities as a landlord?

It is the landlord's responsibility to ensure all rental agreements comply with the law.

The Washington State Department of Commerce maintains a <u>Landlord Resource Center</u> that includes information about annual rent increase limits for different types of properties as well as sample rent and fee increase notices for residential properties and manufactured/mobile home lots.

The primary role of the Attorney General's Office is to provide legal representation to the State of Washington, its agencies, and state officials acting in their official capacities. The office does not advise or represent private citizens on personal legal matters and does not provide legal analysis to the public. Landlords should contact a private attorney for specific questions about the interpretation of HB 1217.