

**Ordinance No. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, AMENDING OLYMPIA MUNICIPAL CODE CHAPTER 5.82 AND SECTION 5.02.005 RELATING TO THE RENTAL HOUSING CODE AND BUSINESS LICENSE REQUIREMENTS**

**WHEREAS**, the City Council of Olympia recognizes that preservation of existing rental housing stock is of tremendous importance. There are more than 14,000 rental housing units in Olympia. Rental housing provides needed affordable housing for many City residents and is a valuable asset that must be preserved and maintained. The City of Olympia has a significant interest in ensuring that rental housing remains a safe and desirable housing option for its residents; and

**WHEREAS**, the City Council finds that adoption of the proposed amendments to the City's Rental Housing Code aligns with its Housing Action Plan, Strategy 5.c. ("Establish a rental registration program to improve access to data and share information with landlords"); and

**WHEREAS**, cities across the nation and in Washington State, such as Bellingham, Burien, Kent, Lakewood, Pasco, Tacoma, Tukwila, and Seattle, have implemented proactive rental housing inspection programs to address health and safety in housing units, and to preserve housing units; and

**WHEREAS**, in Olympia, there are substandard, unhealthy, and dangerous residential buildings and rental housing units whose conditions violate state and local building, housing, and safety codes and ordinances and endanger the health and safety of tenants and other members of the public. Rental property owners may be unaware of some hazardous conditions or may have chosen not to make necessary repairs due to cost; and

**WHEREAS**, substandard and deficient rental units are unfit or unsafe for human occupancy, and their condition jeopardizes the health, safety, and welfare of their occupants and of the public. Substandard housing conditions pose a particularly acute risk to young children (e.g., lead poisoning or asthma attacks due to mold or other airborne irritants), older people (e.g., falls), and people with chronic illnesses; and

**WHEREAS**, Black, Indigenous, other people of color, and low-income people are more likely to live in substandard and unsafe rental units and bear disproportionate health burdens associated with living in those conditions; and

**WHEREAS**, relying on a complaint-based enforcement program is inadequate to ensure that rental units are safe and adequately maintained. Inspection authorities often do not receive complaints about rental units with the worst violations of health and safety codes. Tenants may fear being evicted or being subjected to other retaliatory actions, like rent increases, for reporting violations or may face language, technological, or information access barriers that prevent them from using complaint-based programs; and

**WHEREAS**, deteriorating and substandard buildings and rental units also threaten the physical, social, and economic stability of neighboring structures, the surrounding neighborhood, and the wider community. By ensuring that rental property owners are aware of poor conditions before they worsen, proactive inspections encourage preventive maintenance, which is more cost-effective than deferred maintenance, and thereby help rental property owners maintain their properties. Proactive rental inspection programs can help ensure that properties do not deteriorate, thereby preserving neighboring property values and the local tax base; and

**WHEREAS**, public interest demands that all rental properties comply with minimum standards related to public health and safety. The most effective way to seek universal compliance with minimum standards is through routine periodic inspections of all rental properties; and

**WHEREAS**, additional charges incurred by property owners may be passed on to tenants if the City Council fails to take measures to prohibit passing charges to a tenant to comply with program requirements; and

**WHEREAS**, average rents in Olympia have increased significantly while some rental properties have deteriorated or requested repairs have not been completed; and

**WHEREAS**, tenants may fear being evicted or being subjected to other retaliatory actions, like rent increases, for reporting violations of tenant protections provided under Chapter 5.82 OMC, and the City wishes to provide additional protection against retaliatory actions; and

**WHEREAS**, the City Council desires to amend Chapter 5.82 OMC to adopt the proposed tenant protections, and finds that this ordinance will protect and promote the health, safety, and welfare of the residents of Olympia.

**NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:**

**Section 1. Amendment of OMC 5.82.** Olympia Municipal Code Chapter 5.82 is hereby amended to read as follows:

## Chapter 5.82 RENTAL HOUSING CODE

5.82.000 Chapter Contents

Sections:

- [5.82.010](#) Purpose and Intent.
- [5.82.020](#) Definitions.
- ~~[5.82.030](#) Temporary COVID-19 rental enforcement restrictions.~~
- [5.82.040](#) Rent Increase Notification.
- [5.82.050](#) Pet Damage Deposits.
- [5.82.060](#) Limits to Move in Fees.
- ~~[5.82.070](#) Violations-Registration of Rental Units.~~
- ~~[5.82.080](#) Business License Required for Rental Housing Units.~~
- ~~[5.82.090](#) Periodic Inspections Required for Rental Properties.~~
- ~~[5.82.100](#) Prohibition on Passing Charges to a Tenant to Comply with a Program.~~
- ~~[5.82.110](#) Rent Increases Prohibited if Unit has Defective Conditions.~~
- ~~[5.82.120](#) Retaliation Prohibited.~~
- ~~[5.82.130](#) Violations.~~

5.82.010 Purpose and Intent

The purpose of this ~~chapter~~ Chapter is to establish regulations supporting housing security to reduce homelessness and to establish standards and enforcement mechanisms as they relate to rental housing within the municipal boundaries of the City of Olympia. It is the intent of the Olympia City Council to continue its long-term commitment to maintain healthy, vibrant, and diverse neighborhoods within the City of Olympia. The regulations contained in this ~~chapter~~ Chapter balance the needs of the landlord, tenant, and the City of Olympia to ensure safe, healthy, and thriving rental housing within the City's municipal boundaries. The City recognizes that the renting of residential property is a commercial venture where owners and landlords must

evaluate risk, profit, and loss. Providing housing for Olympia's residents directly impacts quality of life at the most basic level, and therefore requires regulations to ensure that this commercial venture is equitably undertaken. This ~~chapter~~ Chapter ensures housing security for current and future residents within the City of Olympia.

#### 5.82.020 Definitions

Unless the context clearly requires otherwise, the definitions in this section apply throughout this ~~chapter~~ Chapter:

A. "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed 30 percent of the household's monthly income.

B. "Affordable housing provider" means a rental housing property owner that is funded or otherwise contractually obligated to provide housing that is affordable to low-income households. This includes nonprofit organizations, public agencies, or private owners receiving a tax credit to provide affordable housing to low-income households.

C. "Building" means a structure having a roof supported by columns or walls used for supporting or sheltering of any kind.

D. "Building code" means all code provisions adopted in and throughout Chapter 16.04 OMC.

E. "Business license" means a business license as required by this Chapter and by Chapter 5.02 OMC.

F. "Certificate of compliance" means a statement signed and dated by the City that certifies that each rental unit complies with the requirements and standard of this Chapter.

G. "Certificate of inspection" means the form created by the City and completed and issued by a qualified rental housing inspector following an inspection that certifies that each rental unit that was inspected passed inspection.

AH. "Days" means calendar days unless otherwise provided.

I. "Declaration of compliance" means a statement submitted to the City by a rental property owner or landlord that certifies that, to the best of such person's knowledge, each rental unit complies with the requirements and standards of this Chapter and Chapter 59.18 RCW, and that there are no conditions presented in any rental unit that endanger or impair the health or safety of a tenant.

B. ~~"Dwelling unit" means a structure or part of a structure used as a home, residence, or sleeping place by one or more persons maintaining a common household, including, but not limited to, single family residences and units of multiplexes, apartment buildings, mobile homes, and rooms for which occupancy is authorized by a written or oral rental agreement.~~

€J. "Landlord" means a landlord as defined in and within the scope of RCW [59.18.030](#) and RCW [59.18.040](#) of the Residential Landlord Tenant Act of 1973 ("RLTA") in effect at the time the rental agreement is executed or occurs. As of the effective day of this ordinance, the RLTA defines "landlord" as "the owner, lessor, or sub-

lessor of the dwelling unit or the property of which it is a part, and in addition means any person designated as representative of the owner, lessor, or sub-lessor including, but not limited to, an agent, a resident manager, or a designated property manager."

K. "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below 80 percent of the median family income adjusted for family size, for Thurston County, as reported by the United States Department of Housing and Urban Development.

L. "Mobile home" or "manufactured home" means a mobile home or a manufactured home as defined in Chapter 59.20 RCW.

~~D. "Occupancy" means the formal designation of the primary purpose of the building structure or portion thereof.~~

EM. "Owner" or "rental property owner" means the owner of record as shown on the last Thurston County tax assessment roll, or such owner's authorized agent.

N. "Qualified rental housing inspector" mean a private inspector who possesses at least one of the following credentials and who has been approved by the City as a qualified rental housing inspector based on a process developed by the City consistent with the intent of this Chapter:

1. American Association of Code Enforcement Property Maintenance and Housing Inspector certification;
2. International Code Council Property Maintenance and Housing Inspector certification;
3. International Code Council Residential Building Code Inspector;
4. Washington State licensed home inspector; or
5. Other acceptable credential as determined by the City.

FO. "Rent" or "rental amount" means recurring and periodic charges identified in the rental agreement for the use and occupancy of the premises, which may include charges for utilities. These terms do not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees, including attorneys' fees. PROVIDED, however, that if, at the commencement of the tenancy, the landlord has provided an installment payment plan for nonrefundable fees or deposits for the security of the tenant's obligations and the tenant defaults in payment, the landlord may treat the default payment as rent owing.

GP. "Rental agreement" means ~~all any agreements agreement which that establish establishes or modify~~ modifies the terms, conditions, rules, regulations, or any other provisions concerning the use and occupancy of a ~~dwelling rental~~ unit.

Q. "Rental property" means a single parcel with one or more rental units made available for rent or rented by the same landlord.

R. "Rental property complex" means contiguous parcels with rental units rented by the same landlord as a single rental complex.

S. “Rental unit” means a structure or that part of a structure which is used as a home, residence, or sleeping place by one person or by two or more persons maintaining a common household, including single-family residences and units of multiplexes, apartment buildings, and mobile homes and which is made available for rent or rented.

T. “Residential rental housing registration” means registration of one or more rental units as required by this Chapter.

U. “Shelter” means a facility with overnight sleeping accommodations, owned, operated, or managed by a nonprofit agency or governmental entity, the primary purpose of which is to provide temporary shelter for persons experience homelessness in general or for specific populations of such persons and includes a homeless shelter, an emergency shelter, and an emergency housing facility as defined in OMC 18.02.180.

V. “Single-family dwelling” means a single unit providing complete, independent living facilities for a household, including permanent provisions for living, sleeping, cooking, and sanitation.

~~HW.~~ “Tenant” means any person who is entitled to occupy a ~~dwelling-rental~~ unit primarily for living or dwelling purposes under a rental agreement.

X. “Transitional housing” means housing that provides stability for residents for a limited time period, usually two weeks to 24 months, to allow them to recover from a crisis such as homelessness or domestic violence before transitioning into permanent housing. Transitional housing often offers supportive services, which enable a person to transition to an independent living situation.

Y. “Unit not available for rent” means a rental unit that is not currently offered or available for rent as a rental unit.

#### ~~5.82.030 Temporary COVID-19 rental enforcement restrictions~~

~~A.—During the term of the public health emergency Proclamations issued by the Governor related to the COVID-19 pandemic, including the Governor’s Proclamation 20-05, and any amendments and extensions thereto, landlords, property owners, and property managers are prohibited from treating any unpaid rent or other charges related to a dwelling or parcel of land occupied as a dwelling as an enforceable debt or obligation that is owing or collectable, where such non-payment was as a result of the COVID-19 pandemic and its adverse economic impacts, and where it occurred on or after February 29, 2020, the date when the initial State of Emergency was proclaimed in all counties in Washington State. This includes attempts to collect, or threats to collect through a collection agency, by filing an unlawful detainer or other judicial action, withholding any portion of a security deposit, billing or invoicing, reporting to credit bureaus, or by any other means. This prohibition does not apply to a landlord, property owner, or property manager who demonstrates by a preponderance of the evidence to a court that the resident was offered, and refused or failed to comply with, a re-payment plan that was reasonable based on the individual financial, health, and other circumstances of that resident and tenant. The enforcement restrictions set forth herein shall only apply to rental payment amounts during the time the Governor’s Emergency Proclamation 20-05, and any amendments and extensions thereto that are in effect.~~

~~B.—OMC Section 5.82.030 shall automatically expire and shall be repealed without any other action by the Olympia City Council one year after the effective date of this Ordinance<sup>†</sup>, unless extended by legislative action.~~

~~C.—Where an unlawful detainer action is based on any reason enumerated in OMC Chapter 5.82, it is a defense to eviction if the eviction was initiated because of a failure to pay rent due before or by July 1, 2021. The defense is available only where the reason for termination of the tenancy is based on:~~

~~1.—The tenant's failure to comply with a fourteen-day notice to pay rent or vacate under RCW 59.12.030(3); or~~

~~2.—The tenant's habitual failure to comply with the material terms of the rental agreement to pay rent that causes the owner to serve a notice to comply or vacate or a notice to pay rent or vacate three or more times in a twelve-month period.~~

~~D.—To assert the defense under subsection A of this section, the residential tenant must prove by a preponderance of the evidence that the failure to pay rent was due to the following circumstances occurring as a result of the COVID-19 pandemic:~~

~~1.—The tenant's illness;~~

~~2.—Loss or reduction of income;~~

~~3.—Loss of employment;~~

~~4.—Reduction in compensated hours of work;~~

~~5.—Business or office closure;~~

~~6.—A need to miss work to care for a family member or child, where that care is uncompensated; or~~

~~7.—Other similar loss of income due to the COVID-19 pandemic.~~

~~E.—A tenant who fails to pay rent due before or by July 1, 2021, may elect to pay the overdue rent in installments if the failure to pay was due to one or more reasons in subsections C and D of this section. If an unlawful detainer action is based on the circumstances enumerated in subsections A and C of this section, it is a defense to eviction that the landlord refused a request by a tenant to enter into a reasonable repayment plan.~~

~~1.—The reasons for which a landlord shall allow residential tenants to pay overdue rent on a repayment plan shall be due to one or more of the following circumstances occurring as a result of the COVID-19 pandemic as set forth in subsection D above.~~

~~2.—A reasonable written installment repayment plan shall be based on the tenant's individual financial, health and other circumstances, including the tenant's income, and shall be negotiated between the landlord and residential tenant in good faith, which shall include the following provisions:~~

~~a.—The plan does not require the tenant to pay more than one-third of the overdue rent per month unless agreed to by the tenant in writing; and~~

~~b.— All rental debt accumulated resulting from the reasons in subsections A and C of this section shall be paid in full to the landlord by October 1, 2021 or the sunset date of this ordinance, whichever occurs first; and~~

~~c.— Late fees, interest or other charges due to late payment of rent shall not accrue from the commencement of the effective date of this ordinance until this ordinance sunsets as provided in OMC 5.82.030.B, except that once a tenant has entered into a reasonable written installment repayment plan with a landlord, any default by the tenant for any reason other than due to COVID-19 as set forth in subsection D above, the tenant shall be responsible for late fees, interest or other charges from and after the date of default in the repayment plan.~~

#### 5.82.040 Rent Increase Notification

A. A landlord may not increase a tenant's rent by more than five percent of the rent unless the landlord has provided the tenant with notice of the rent increase at least 120 days before such increase takes effect.

B. A landlord may not increase the rent of a tenant by 10 percent or more ~~than 10 percent~~ of the rent unless the landlord has provided the tenant with notice of the rent increase at least 180 days before such increase takes effect.

C. Pursuant to RCW 59.18.140, if the rental agreement governs a subsidized tenancy where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, a landlord shall provide a minimum of 30 days' prior written notice of an increase in the amount of rent to each affected tenant.

D. Any notice of a rent increase required by this section must be served in accordance with RCW 59.12.040. Notice of any rental increase of five percent or less may be served in accordance with RCW 59.12.040.

#### 5.82.050 Pet Damage Deposits

A. Except as provided in subsection B of this section, a landlord may require payment of a pet damage deposit that may not exceed 25 percent of one month's rent, regardless of the time when the pet damage deposit is paid.

#### B. Exceptions

1. A landlord may not require a pet damage deposit for an animal that serves as an assistance animal for the tenant. This prohibition does not prohibit a landlord from bringing an action for damages resulting from damage to the landlord's property caused by the tenant's assistance animal. For purposes of this subsection, "assistance animal" means an animal that works, provides assistance, or performs tasks for the benefit of a person with a disability, or that provides emotional support that alleviates one or more identified effects of a person's disability.

2. A landlord may not charge a pet damage deposit in that type of subsidized housing where the amount of rent is set based on the income of the tenant. This exception for subsidized housing does not include tenancies regulated under Section 8 of the Housing Act of 1937, 42 U.S.C. Sec. 1437 f, commonly known as the choice voucher program.

C. If the tenant's pet's occupancy begins at the beginning of tenancy, the amount of the pet damage deposit must be specified in a rental agreement. If the tenant's pet's occupancy begins after the beginning of the tenancy, the amount of the pet damage deposit must be specified in an addendum to the rental agreement. The tenant may elect to pay the pet damage deposit in three consecutive, equal monthly installments that begin when the tenant's pet first occupies the rental unit or the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule the schedule must be described in the rental agreement.

D. A landlord may not keep any portion of the pet damage deposit for damage that was not caused by a pet for which the tenant is responsible. Not later than 30 days from the end of the tenancy, consistent with RCW 59.18.280(1)(a), the landlord shall return to the tenant any portion of the pet damage deposit not applied to the costs of remediating damage caused by a pet for which the tenant is responsible, or the landlord shall provide to the tenant an itemized list of damages if a portion or the entirety of the deposit is retained for damage caused by a pet for which the tenant is responsible.

E. Other than the pet damage deposit authorized by subsection A of this section, a landlord may not charge the tenant any fee for keeping a pet.

#### 5.82.060 Limits to Move in Fees

A refundable security deposit or last month's rent may be charged by a landlord before a tenant takes possession of a ~~dwelling rental~~ unit. Landlords are prohibited from charging tenants any other non-refundable fees or one-time fees at the beginning of the tenancy, including a fee to hold a rental unit prior to the tenant taking possession. The amount of the refundable security deposit or last month's rent may not exceed one month's rent, except in that type of subsidized housing where the amount of rent is set based on the income of the tenant. The exception for subsidized housing does not include tenancies regulated under Section 8 of the Housing Act of 1937, [42](#) U.S.C. Sec. [1437](#) f, commonly known as the choice voucher program. A landlord is prohibited from charging or accepting any move in fee in excess of that allowed in this section. Nothing in this section prohibits a landlord from charging a pet damage deposit, as allowed in OMC [5.82.050](#).

#### 5.82.070 Registration of Rental Units

##### A. Registration required for rental units.

1. Any person who makes available for rent, or rents, any rental unit not exempt under subsection B of this section shall, prior to making such unit available for rent or renting such unit, register the rental unit with the City, and shall maintain the registration throughout the term of the rental of such unit.

2. A residential rental housing registration is good for one calendar year and expires on December 31st of the calendar year of registration or renewal.

3. The residential rental housing registration for a rental unit is transferable to any person who acquires ownership of a registered rental unit for the unexpired portion of the one-year term for which it was issued.

##### B. Exempt rental units. This section does not apply to the following types of rental units:

1. A unit within an owner-occupied single-family dwelling where the tenant shares the dwelling with the owner;



2. A unit not available for rent; provided that a unit must be registered under this section before being made available for rent or rented;

3. An owner-occupied mobile home or manufactured home, both as defined in Chapter 59.20 RCW;

4. A living arrangement exempted under RCW 59.18.040;

5. A transient dwelling as defined in OMC 18.02.180, which includes a short-term rental;

6. An assisted living dwelling defined in OMC 18.02.180.

C. Application. A landlord registering a rental unit or units pursuant to this section shall follow the process and shall utilize the form established by the City. The landlord shall pay the required registration fee, submit a declaration of compliance and such other information as required by the City, and shall provide a mailing address to which the City will send any notice required under this Chapter.

D. Renewal. A landlord shall renew a residential rental registration for the ensuing year on or before the date of the expiration of the current registration by submitting a renewal application on a form and through a process established by the City, updating the information contained in the original application as necessary, and paying the required annual registration fee.

E. Landlord shall provide and update mailing address. Each landlord registering a rental unit or units under this section or renewing a registration shall provide the City with a mailing address and shall notify the City of any change in the landlord's mailing address. Any notice required to be provided to a landlord or rental property owner by the City that the City mails to the address provided through the registration or renewal process must be deemed received three days after mailing.

F. Posting of program information. At each rental unit registered under this section, or in a common area of the rental property, the landlord shall post information regarding the City's rental housing and safety inspection program; provided, that the City may establish one or more alternative or additional methods for conveying the information to tenants. Upon request by a landlord, the City shall provide a form with the information required in this subsection.

G. Fees Established. A landlord of a rental unit subject to the registration requirements under this section shall pay an annual registration fee of \$35 per rental housing unit. An affordable housing provider may request an exemption from registration fees and the City may grant such a request at its discretion.

H. Penalty. Any person who fails to properly register any rental unit or fails to submit the required documentation for renewal of such registration on or prior to the expiration date of the registration is in violation of this chapter and is subject to the penalty provisions of OMC 5.82.130.

#### 5.82.080 Business License Required for Rental Housing Units.

A. Unless exempt under subsection B below, each and every person making available for rent or renting one or more rental units within the City limits shall, in accordance with Chapter 5.02 OMC, obtain and maintain a business license. One business license covers all of a person's rental units within the City; however a separate business license is required for any other business operated by such person, in accordance with OMC 5.02.005.

B. Exemptions. A landlord is exempt from the requirement to obtain a business license under this section if the landlord rents only the following types of rental units:

1. A single rental unit located on the same property as an owner-occupied residence;
2. Rental units exempt from the residential rental housing registration requirements under OMC 5.82.070(B). The operation of dwelling or lodging types that do not fall under this Chapter, such as hotels, motels, short-term rentals, shelters, transitional housing, and housing accommodations at an institution, may require an Olympia business license under a different Olympia Municipal Code provision.

C. Certificate of compliance. As a condition of the issuance or renewal of a business license, a landlord shall, prior to the renewal of the business license, possess a certificate of compliance issued by the City, certifying that each rental unit made available for rent or rented by the landlord has been inspected as required by OMC 5.82.090.

D. Declaration of compliance. As a condition of the issuance or renewal of a business license, a landlord shall, prior to the issuance of the business license, provide to the City a valid declaration of compliance declaring that each rental unit made available for rent or rented by the landlord complies with the requirements of this Chapter and RCW Chapter 59.18 and that there are no conditions present in the rental unit or units that endanger or impair the health or safety of any tenant.

E. Denial, suspension, or revocation of license – Appeal

1. Denial or revocation of business license. A landlord may be denied a business license, or a landlord's business license may be suspended or revoked, for any of the following reasons:
  - a. The landlord fails to obtain a certificate of compliance as required by this section;
  - b. The certificate of compliance or business license was procured by fraud or false representation of fact;
  - c. The landlord has failed or fails to comply with any of the provisions of this Chapter;
  - d. The landlord fails to pay any fee due to the City under this Chapter;
  - e. The landlord's rental unit or units is subject to a notice of violation for a municipal code violation which has been deemed committed or found to have been committed;
  - f. Any reason set forth in OMC 5.02.050.
2. Process – Appeal. The denial, suspension, or revocation of a landlord's business license must comply with the business license denial, suspension, or revocation procedures set forth in Chapter 5.02.050 OMC. A landlord may appeal the denial, suspension, or revocation of a business license as provided in OMC 5.02.060.
3. Reinstatement of business license. If a landlord's business license is suspended or revoked, or an application for a license is denied, the City may grant the landlord a business license only after:

a. Any and all deficiencies on which the denial, suspension, or revocation was based have been corrected;

b. In the event an inspection has been required, an inspection has been completed and the landlord has provided to the City a valid certificate of inspection that meets the requirements of this Chapter;

c. The landlord pays the registration and license fee as set forth in this Code; and

d. The landlord reimburses the City in full for any applicable tenant relocation assistance costs under OMC 5.82.090 and RCW 59.18.085 paid by the City on the Landlord's behalf.

F. Penalty for not obtaining license. In addition to the penalties set forth in Chapter 5.02 OMC, a landlord who makes available for rent or rents a rental unit without having a valid and current business license is in violation of this Chapter and is subject to the penalty provision of OMC 5.83.130, below.

### 5.82.090 Periodic Inspections Required for Rental Properties

#### A. Inspection and certificate of inspection required.

1. Unless exempt under subsection B(1) below, each and every rental property in the City must be inspected at least once every five years by a qualified rental housing inspector and a certificate of inspection, reflecting the completed inspection, must be provided to the City. A required inspection is complete only after a qualified rental housing inspector has performed an in-person inspection as required by this section and has issued a certificate of inspection on the form provided by the City and the certificate of inspection is received by the City.
2. Nothing in this section precludes inspection of a rental property or one or more units thereof under RCW 59.18.115, RCW 59.18.150, or other applicable law, pursuant to a valid search warrant, or at the request or consent of a tenant.

#### B. Exemptions; certain inspection reports accepted in lieu of certificate of inspection.

1. The following rental properties are exempt from the inspection requirements of this section:
  - a. A rental property consisting of a single rental unit located on the same property as an owner-occupied residence.
  - b. A rental property consisting only of a rental unit or units exempt from the residential rental housing registration requirements of OMC 5.82.070(B).
  - c. A rental property that received a certificate of occupancy within the previous 10 years and for which the City has not during that period received any report of any municipal code violation or violations at the rental property or of conditions at the rental property that endanger or impair the health or safety of a tenant.
2. In lieu of a certificate of inspection provided by a qualified rental housing inspector following an inspection under this section, the City may accept an alternate inspection report from an affordable housing provider that is required to complete a periodic inspection if the report reflects that inspection

performed was substantially equivalent to the City's inspection standards. This includes an inspection report for a privately owned rental housing property rented to a voucher recipient if the rental property has passed inspection by Housing Authority of Thurston County.

C. City Administration.

1. The City shall create and make available a rental unit inspection checklist to be utilized by qualified rental housing inspectors conducting inspections of a rental properties under this section. The checklist must consist, at a minimum, of a number of health and safety elements, and such other elements as the City may elect to include, that a rental unit subject to inspection either meets or fails.
2. The City shall create and make available a certificate of inspection form to be used by a qualified rental housing inspector in conducting an inspection of rental properties under this section.
3. The City shall create and make available a notice of failed inspection form to be used by a qualified rental housing inspector in conducting an inspection of rental properties under this section.
4. The City shall create and make available a tenant notice form to be utilized by rental property owners in informing tenants of the impending inspection of a rental property and individual rental units, as required by RCW 59.18.125(7)(a) and subsection E(2), below. Such notice must comply with RCW 59.18.125(7)(a) and must state that a tenant with a disability who may be negatively affected by entry into their rental unit by the inspector may request a reasonable accommodation by the City, including the City selecting an alternate unit for inspection.
5. The City shall determine the methodology for selecting which units within a rental property are subject to inspection under subsections D(2) and (3), below, and for each rental property subject to a periodic inspection, shall select units for inspection using such methodology and inform the rental property owner and the inspector of the rental units selected for inspection.
6. By December 1 of the year before a rental property's inspection must be completed, the City shall mail a notice to the rental property owner informing the owner that the inspection under this section must be completed in the coming calendar year and identifying those rental units at the rental property that are subject to inspection. The City shall mail such notice to the rental property owner at the address provided on the rental property owner's registration under OMC 5.82.070.

D. Rental units subject to inspection.

1. Except as provided in subsections 4 and 5 below, for a rental property consisting of one to four rental units, one rental unit may be selected by the City for inspection.
2. Except as provided in subsections 4 and 5 below, for a rental property consisting of between five and 20 rental units, no more than 20 percent, rounded up to the next whole number, of the rental units, up to a maximum of four units, may be selected by the City for inspection.
3. Except as provided in subsections 4 and 5 below, for a rental property consisting of 21 or more rental units, no more than 20 percent, rounded up to the next whole number, of the rental units, up to a maximum of 50 units, may be selected by the City for inspection.

4. If one or more units on a rental property selected for inspection by the City fail inspection, the City may require up to 100 percent of the units on the rental property be inspected.
5. If the City has, since the last required inspection, received one or more reports of a municipal code violation at the rental property or conditions at the rental property that endanger or impair the health or safety of a tenant, the City may require 100 percent of the units on the rental property be inspected.

E. Conduct of Inspection of Rental Property.

1. After receiving notice from the City that a rental property is due for inspection under this section, a rental property owner shall arrange with a qualified rental housing inspector to perform, at a particular date and time, the inspection of the unit or units identified by the City as subject to inspection. The inspection must be conducted at the rental property owner's expense, except as provided in subsection 7, below.
2. Not more than 60 nor fewer than 30 days prior to the date set for the inspection, the rental property owner shall provide notice to each tenant of the rental property of the impending inspection, using the form created by the City, completed by the rental property owner with all required information. The rental property owner shall provide a copy of the notice to the inspector upon request on the day of inspection.
3. The qualified rental housing inspector shall conduct an in-person inspection of the rental unit or units selected by the City for inspection. The rental property owner shall allow the inspector to access the rental property and shall, under the authority of RCW 59.18.150, facilitate the inspector's access to each rental unit subject to inspection, including providing the notice required in subsection 2, above.
4. In conducting an inspection under this section, the inspector may only investigate a rental property as needed to provide a certificate of inspection under this section.
5. In conducting an inspection under this section, the inspector shall utilize the checklist developed by the City, inspecting the unit or units subject to inspection to determine if the unit meets or fails to meet each element listed on the checklist. If any rental unit fails to meet any element of the checklist, the rental property fails the inspection and a certificate of inspection for the rental property may not be issued.
6. Unless the rental property fails the inspection, the inspector shall, within 10 days of conducting an inspection of a rental property, issue a certificate of inspection on the form developed by the City and shall provide a copy of the certificate of inspection to the City and to the rental property owner.
7. If the rental property fails the inspection, the inspector shall, within 10 days of the inspection, provide the rental property owner and the City a notice of inspection failure. A rental property owner may appeal a failed inspection under subsection F, below.
8. The City may, at the City's discretion, provide City funding for an inspection of a rental property operated by an affordable housing provider.

F. Appeal of failed inspection. If a rental property fails an inspection under this section, the rental property's owner may appeal such failure by submitting a written appeal notice to the City Manager. The appeal notice

must be received by the City Manager within 14 days of issuance of the notice of failed inspection. The appeal notice must identify the rental property subject to the notice of failed inspection, the name of the rental property's owner, and must state with particularity the basis for the appeal. A copy of the notice of failed inspection must be provided to the City Manager along with the appeal notice. The City Manager, or designee, shall, within 30 days of receipt of the appeal, review the appeal and shall issue a written decision to uphold, modify, or reverse the failed inspection. The City Manager's or designee's decision is the final decision of the City.

G. Failure to complete inspection when required. If a rental property owner fails to complete an inspection of the rental property owner's rental property by the end of the calendar year in which the inspection is due, or if the rental property fails the inspection:

1. The City shall mail a notice of non-compliance to the rental property owner.
2. Upon receipt of a notice of non-compliance, a rental property owner shall, within 30 days, complete the required inspection and provide a certificate of inspection to the City or enter into a compliance agreement with the City.
3. If, 30 days after receipt of a notice of non-compliance, a rental property owner has not completed the required inspection and provided a certificate of inspection to the City or has not entered into a compliance agreement with the City, or if at any time a property owner violates the terms of a compliance agreement with the City:
  - a. The rental property owner is in violation of this Chapter and is subject to the penalty provisions of OMC 5.82.130, below;
  - b. The City may declare the rental property or one or more units thereof, unlawful to occupy pursuant to RCW 59.18.085; after so declaring, the City shall mail written notice to the property owner and any and all affected tenants that the rental property or a unit or units have been declared unlawful to occupy;
  - c. The City may suspend or revoke the property owner's business license pursuant to OMC 5.02.050; and
  - d. The rental property owner shall pay for relocation assistance to each displaced tenant as provided in RCW 59.18.085, and, if the City pays for relocation assistance on behalf of the property owner, the property owner shall reimburse the City for all such amounts paid.

#### 5.82.100 Prohibition on Passing Charges to a Tenant to Comply with a Program.

A landlord may not pass on to the tenant any costs incurred by the landlord in complying with this Chapter including: inspection fees, registration fees, business license fees, and repairs not related to damages caused by the tenant.

#### 5.82.110 Rent Increases Prohibited if Rental Unit has Defective Condition.

A. A landlord may not increase the rent charged to a tenant by any amount if the rental unit has one or more defective conditions making the rental unit uninhabitable, if a tenant's request for repair to make the rental unit habitable has not been completed, or if the rental unit is otherwise in violation of RCW 59.18.060. If the tenant believes the rental unit has one ore more defective conditions making the unit uninhabitable or violates RCW 59.18.060, the tenant may notify the landlord in writing as required by RCW 59.18.070, specifying the

premises involved; the owner's name, if known; and the defective condition before the effective date listed in the notice of rent increase.

B. A landlord may not increase rent on any unit in a rental property if the rental property owner has not completed inspection of the rental property as required in OMC 5.82.090, or if the rental property has failed inspection under that section.

#### 5.82.120 Retaliation Prohibited.

A landlord may not retaliate against a tenant for asserting tenant rights under the tenant protection provisions of this Chapter or any other applicable tenant protection law.

A. It is a violation of this Chapter and a defense against eviction for a landlord to threaten, commence, or carry out retaliation, including a retaliatory eviction, based on the tenant having asserted rights and protections afforded by this Chapter or any other applicable tenant protection law.

B. There is a rebuttable presumption that a landlord's action was retaliatory if the action occurred within 90 days of the tenant asserting a right or protection afforded by this Chapter or any other applicable tenant protection law.

C. In addition to the definitions of retaliation provided in RCW 59.18.240, prohibited retaliatory actions under this section include:

1. Rescinding an offer of lease renewal;
2. Refusing to provide, accept, or approve a rental application or a rental agreement;
3. Misrepresenting any material fact when providing a rental reference about a tenant; and
4. Threatening to allege to a government agency that a tenant or prospective tenant, or a family member of a tenant or prospective tenant, is not lawfully in the United States.

D. A landlord who retaliates against a tenant for asserting rights or protections afforded by this Chapter or any other applicable tenant protection law is in violation of this Chapter and is liable to the tenant and is subject to the remedies and penalties under OMC 5.82.130.

#### 5.82.070-130 Violations

A. Any tenant claiming injury from any violation of this chapter may bring an action in Thurston County Superior Court or in any other court of competent jurisdiction to enforce the provisions of this chapter and is entitled to all remedies available at law or in equity appropriate to remedy any violation of this chapter, including declaratory or injunctive relief.

B. A landlord who violates this Chapter is liable to the tenant in an action brought by the tenant under subsection A, above, for: (1) any actual damages incurred by the tenant as a result of the landlord's or owner's violation or violations of this chapter; (2) double the amount of any security deposit unlawfully charged or withheld by the landlord; (3) reasonable attorney fees and costs incurred by the tenant in bring such action.

C. A landlord's failure to comply with any of the provisions of this chapter is a defense in any legal action brought by the landlord to recover possession of the rental unit.

D. A landlord's failure to comply with any of the provisions of this chapter may result in denial, suspension, or revocation of a business license, as provided in OMC 5.82.080.

E. A landlord or rental property owner who violates any provision of this Chapter commits a civil infraction or infractions and is subject to a fine or fines as set forth below. Each day a landlord or rental property owner is in violation of any provision of this Chapter constitutes a separate violation.

1. First offense: Class 3 (\$50), not including statutory assessments.

2. Second offense arising out of the same facts as the first offense: Class 2 (\$125), not including statutory assessments.

3. Three or more offenses arising out of the same facts as the first offense: Class 1 (\$250), not including statutory assessments.

F. The penalties imposed in this Chapter are not exclusive when the acts or omissions constitute a violation of another chapter of the Olympia Municipal Code. In addition to all other penalties, remedies, or other enforcement measures established within this Chapter, or as otherwise provided by law, any act or omission that constitutes a violation of this Chapter may be subject to penalties and enforcement provisions as provided by other provisions of the Olympia Municipal Code, and such penalties and enforcement provisions may be imposed as set forth in such provisions. The exercise of one remedy does not foreclose use of another. Remedies may be used singly or in combination; in addition, the City may exercise any rights it has at law or equity.

**Section 2. Amendment of OMC 5.02.005.** Olympia Municipal Code Section 5.02.005 is hereby amended to read as follows:

#### **5.02.005 License required**

A. No person may conduct business within the City without first obtaining an approved City business license. The license required by this chapter is in addition to any regulatory license that may be required by another chapter within Title 5 OMC.

B. The business license is not transferable. A business owner acquiring an existing business in the City must obtain a new, approved license for that business. Each separate physical location operated by a business inside the City must be licensed separately and be approved by the City before business may commence at that location. No fee will be charged for additional locations. A change of physical location of a business inside the City will require approval by the City before business may commence at the new location, and may require the filing of a new State of Washington Business License Application and/or a new City of Olympia Business License Application. If two or more businesses operate at the same physical location, each business must obtain a license.

C. The issuance and renewal of business licenses shall be done by the State of Washington Department of Revenue Business License Service (BLS) in coordination with the City.



D. The business license document issued by the Business License Service must be posted in a conspicuous place on the premises identified on the license.

E. Each and every person making available for rent or renting one or more rental units within the City limits, shall, in accordance with OMC 5.82.080, obtain and maintain a business license, unless exempt under that section. This obligation to obtain a business license applies to the rental of any rental unit, regardless of the term of the rental. One business license covers all of a person's rental units within the City; however, a separate business license is required for any other business operated by such person, in accordance with this Chapter.

**Section 3. Corrections.** The City Clerk and codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

**Section 4. Severability.** If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or application of the provisions to other persons or circumstances is unaffected.

**Section 5. Ratification.** Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

**Section 6. Effective Date.** The provisions of this ordinance are effective as follows:

- A. OMC 5.82.090, as created by this Ordinance, takes effect January 1, 2025.
- B. All other provisions of this Ordinance take effect March 1, 2024.

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MAYOR

**ATTEST:**

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CITY CLERK

**APPROVED AS TO FORM:**

*Michael M. Young*  
DEPUTY CITY ATTORNEY

**PASSED:**

**APPROVED:**

**PUBLISHED:**