

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO RESIDENTIAL RENTAL PROPERTIES, ADDING A NEW CHAPTER TO TITLE 5 OF THE OLYMPIA MUNICIPAL CODE, TO BE DESIGNATED AS CHAPTER 5.82, ENTITLED “RENTAL AGREEMENT REGULATIONS”.

WHEREAS, housing affordability and homelessness are a growing problem in Thurston County and the City of Olympia is committed to reducing human suffering for vulnerable populations of our citizens; and

WHEREAS, average rents in Olympia have increased significantly while vacancies in rental housing are low, making it increasingly difficult for tenants, especially people with limited finances who are disproportionately people of color, seniors, women, families, LGBTQ, people with disabilities, and veterans, to obtain rental housing; and

WHEREAS, rent increases may cause a tenant to move due to inability to pay the increased rent; and

WHEREAS, these conditions in the rental market have created a barrier to relocation, because tenants, especially people with limited finances who are disproportionately people of color, seniors, women, families, LGBTQ, people with disabilities, and veterans, may be unable to save money to pay security deposits, non-refundable move-in fees, and last month’s rent; and

WHEREAS, before moving into a rental unit, landlords typically require that tenants pay some type of security deposit to ensure that the tenant will comply with certain provisions of the rental agreement, such as payment for damage to the dwelling unit or cleaning the unit when the tenant vacates the unit; and

WHEREAS, before moving into a rental unit, landlords sometimes also require payment of non-refundable fees such as fees for tenant screening reports, pets, or cleaning; and

WHEREAS, before moving into a rental unit, landlords typically require that tenants prepay the last month’s rent; and

WHEREAS, payment of security deposits, nonrefundable move-in fees, and last month’s rent in advance of tenancy, especially for people with limited finances who are disproportionately people of color, seniors, women, families, LGBTQ, people with disabilities, and veterans, is one of the barriers to obtaining housing; and

WHEREAS, limiting the amount a landlord can charge for a security deposit and non-refundable move-in fees will help reduce this barrier and allow people to prepare for moving expenses with more certainty; and

WHEREAS, allowing tenants to pay security deposits, non-refundable move-in fees, and last month’s rent in installments will help reduce this barrier; and

WHEREAS, in the City of Olympia all people, including people with limited finances who are disproportionately people of color, seniors, women, families, LGBTQ, people with disabilities and veterans, are respected and valued and vital to our shared prosperity; and

WHEREAS, the City Council finds that this ordinance will protect and promote the health, safety, and welfare of the general public;

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

Section 1. Amendment of OMC 5.00.000. Olympia Municipal Code 5.00.000 is hereby amended to read as follows:

5.00.000 Title Contents

Title 5
BUSINESS TAXES, LICENSES AND REGULATIONS

Chapters:

- 5.02 Business Licenses**
- 5.04 Business and Occupations Tax**
- 5.05 Administrative Provisions for Certain Taxes**
- 5.10 Occupational Permits**
- 5.11 Transportation Network Companies**
- 5.15 Cable Communications Franchises**
- 5.16 Adult Oriented Businesses**
- 5.17 Community Events**
- 5.18 Farmers Market**
- 5.20 Gambling Activities**
- 5.24 Garage Sales**
- 5.48 Occult Arts**
- 5.50 Pet Shops**
- 5.52 Locksmiths**
- 5.55 Security Alarm Businesses**
- 5.60 Secondhand Dealers**
- 5.64 Solicitors**
- 5.68 For-Hire Vehicles**
- 5.72 Towing Services**
- 5.76 Miscellaneous Businesses**
- 5.80 Unfair Housing Practices**
- 5.82 Rental Agreement Regulations**
- 5.84 Utility Services Tax**
- 5.86 Multi-Family Dwelling Tax Exemptions**

Section 2. New chapter. There is hereby added a new Chapter to Title 5 of the Olympia Municipal Code, to be designated as chapter 5.82 entitled, "Rental Agreement Regulations" which shall read as follows:

Chapter 5.82

RENTAL AGREEMENT REGULATIONS

5.80.000 Chapter Contents

Sections:

- 5.82.010 Definitions.
- 5.82.020 Security deposits and nonrefundable move-in fees.
- 5.82.030 Fee payments in installments.
- 5.82.040 Payment of last month's rent in installments.
- 5.82.050 Payment of pet deposits in installments.
- 5.82.060 Remedies for tenants.
- 5.82.070 Retaliation.

5.82.010 Definitions

Definitions as used in this chapter, unless additional meaning clearly appears from the context, shall have the meanings ascribed herein:

A. "Landlord" means the owner, lessor, or sublessor 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 sublessor including, but not limited to, an agent, a resident manager, or a designated property manager.

B. "Last month's rent" means money that is paid as rent for the last month of a residential tenancy and that is paid at the inception of the tenancy or in installments as authorized by Section 5.82.040.

C. "Month-to-month tenancy" means a residential tenancy of an indefinite period with monthly or other periodic rent reserved.

D. "Non-refundable move-in fees" means non-refundable fees paid by a tenant to reimburse a landlord for the cost of obtaining a tenant screening report, criminal background check, or credit report or to pay for cleaning of the dwelling unit upon termination of the tenancy, but does not include payment of a reservation fee authorized by RCW 59.18.253(2).

E. "Person" means any individual, firm, corporation, association, governmental entity, or partnership and its agents or assigns.

F. "Pet deposit" means money that is paid by the tenant to the landlord at any time as security to pay for damage to the landlord's property that is caused by a pet for which the tenant is responsible.

G. "Security deposit" means any payment, fee, charge, or deposit of money paid to the landlord by the tenant at the beginning of the tenancy as a deposit and security for performance of the tenant's obligations in a written rental agreement, but does not include payment of a reservation fee authorized by RCW 59.18.253(2) or a payment to assure the payment of rent. Security deposits include payments, charges, or deposits for the purpose of:

1. Repairing damage to the premises, exclusive of ordinary wear and tear, caused by the tenant, or by a guest or licensee of the tenant.
2. Compensating the landlord for the tenant's breach of the tenant's duties prescribed in the rental agreement to restore, replace, or return personal property or appurtenances.
3. Compensating the landlord for the tenant's failure to return keys to the premises, except that a landlord shall not retain any portion of the deposit for keys for lock mechanisms that must be changed upon a change of tenancy.

5.82.020 Security deposits and nonrefundable move-in fees

A. The total amount of a security deposit and nonrefundable move-in fees may not exceed the amount of the first full month's rent for the tenant's dwelling unit. If rent is not paid or otherwise apportioned on a monthly basis, then for the sole purpose of applying this limit the total rent shall be pro-rated on an equal, monthly basis and the total charge to a tenant for the cost of a security deposit and nonrefundable move-in fees may not exceed the pro-rated, monthly rental amount.

B. Other than non-refundable move-in fees, security deposits, pet deposits, and last month's rent, landlords are prohibited from charging tenants any one-time fee at the beginning of the tenancy.

C. If the tenant has paid a non-refundable move-in fee for cleaning, the landlord may not deduct additional cleaning fees from the tenant's security deposit.

5.82.030 Fee payments in installments.

A. Tenants may pay security deposits and non-refundable move-in fees in installments as provided below. Landlords may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because a tenant elects to pay in installments.

B. For any rental agreement term that establishes a tenancy for six months or longer, the tenant may elect to pay the security deposit and non-refundable move-in fees, excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in six consecutive, equal monthly installments that begin at the inception of the tenancy or, the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule the schedule shall be described in the rental agreement.

C. For any rental agreement term that establishes a tenancy between 30 days and six months, the tenant may elect to pay the security deposit and non-refundable move-in fees, excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in no more than four equal amounts that begin at the inception of the tenancy and are paid in installments of equal duration or, the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule the schedule shall be described in the rental agreement.

D. For any rental agreement term that establishes a tenancy from month to month, the tenant may elect to pay the security deposit and non-refundable move-in fees, excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in two equal installments. The first payment is due at the inception of the tenancy and the second payment is due on the first day of the second month or period of the tenancy or, the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule the schedule shall be described in the rental agreement.

E. The tenant cannot elect to pay the security deposit and non-refundable move-in fees in installments if (a) the total amount of the security deposit and nonrefundable move-in fees does not exceed 25 percent of the first full month's rent for the tenant's dwelling unit; and (b) payment of last month's rent is not required at the inception of the tenancy.

F. Non-refundable move-in fees are prohibited unless authorized by and identified in a written rental agreement that describes the terms and conditions of the payment schedule for the non-refundable move-in fees pursuant to this section.

5.82.040 Payment of last month's rent in installments

A. For any rental agreement term that establishes a tenancy for six months or longer, the tenant may elect to pay the last month's rent in six consecutive, equal monthly installments that begin at the inception of the tenancy or, the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule the schedule shall be described in the rental agreement.

B. For any rental agreement term that establishes a tenancy between 60 days and six months, the tenant may elect to pay the last month's rent in no more than four equal amounts that begin at the inception of the tenancy and are paid in installments of equal duration or, the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule the schedule shall be described in the rental agreement.

C. Landlords may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because a tenant elects to pay the last month's rent in installments.

D. Any payment of last month's rent by the tenant to the landlord shall be authorized by a written rental agreement that:

1. Identifies the amount of the last month's rent; and
2. Describes the terms and conditions of the payment schedule for the last month's rent if the tenant elects to pay the last month's rent in installments as authorized by this section.

5.82.050 Payment of pet deposit in installments

A. Except as provided in subsection (B), the landlord may require payment of a pet damage deposit provided that the total amount of the pet damage deposit may not exceed 25 percent of the first full month's rent, regardless of the time when the pet damage deposit is paid. If rent is not paid or otherwise apportioned on a monthly basis then for the sole purpose of applying this limit the total rent shall be pro-rated on an equal, monthly basis and the total charge to a tenant for the pet damage deposit may not exceed 25 percent of the pro-rated, monthly rental amount.

B. The landlord may not require a pet damage deposit if the pet 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.

C. If the pet's occupancy begins at the beginning of tenancy, the amount of the pet damage deposit shall be specified in a rental agreement. If the pet's occupancy begins after the beginning of the tenancy, the amount of the pet damage deposit shall 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 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 shall be described in the rental agreement.

D. The landlord cannot keep any portion of the pet damage deposit for damage that was not caused by pets for which the tenant is responsible.

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

F. Any payment of a pet damage deposit shall be authorized by a written rental agreement, or an addendum to the written rental agreement, that:

1. Identifies the amount of the pet damage deposit; and
2. Describes the terms and conditions of the payment schedule for the pet damage deposit if the tenant elects to pay the pet damage deposit in installments as authorized by this section.

5.82.060 Remedies for tenants.

A. If a landlord fails to comply with the requirements of Chapter 5.82 and such failure was not caused by the tenant, the tenant may terminate the rental agreement by written notice pursuant to law.

B. If a landlord fails to comply with the requirements of Chapter 5.82, the tenant may recover in a civil action from the landlord actual damages, attorney fees, and a penalty of up to \$1,000. If a court determines that the landlord deliberately failed to comply with the requirements of Chapter 5.82, the penalty is four and a half times the monthly rent of the unit.

5.82.070 Retaliation

A. It is a violation of this Chapter 5.82 for any person to retaliate against a tenant or prospective tenant because the tenant or prospective tenant exercised or attempted to exercise rights conferred by this Chapter 5.82. Retaliation means any of the following actions:

1. Refusing to provide, accept, or approve a rental application or a rental agreement.
2. Applying more onerous terms, conditions, or privileges, including increased rent, to a tenant or prospective tenant who exercises his or her rights under this Chapter 7.24 than to a tenant or prospective tenant who does not assert those rights.
3. Misrepresenting any material fact when providing a rental reference about a tenant.
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.

B. If a person takes any of the actions identified in subsection 5.82.070.A within 120 days of the date a tenant or prospective tenant exercises rights conferred by this Chapter 5.82, it is presumed that the action was taken in retaliation for the exercise of those rights. The person taking the actions may rebut the presumption by producing clear and convincing evidence that the actions were not retaliatory.

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 shall remain 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. This Ordinance shall take effect five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

DEPUTY CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED: