

# City of Tukwila Planning and Community Development Committee

- ♦ Hannah Hedrick, Chair
- **♦ Jovita McConnell**
- **♦ Verna Seal**

<u>Distribution</u>: H. Hedrick J. McConnell

V. Seal

Mayor McLeod M. Wine A. Youn L. Humphrey

# **AGENDA**

MONDAY, AUGUST 11, 2025 - 5:30 PM

#### **ON-SITE PRESENCE:**

TUKWILA CITY HALL
CITY COUNCIL CONFERENCE ROOM
6200 SOUTHCENTER BOULEVARD

#### **REMOTE PARTICIPATION FOR THE PUBLIC:**

1-253-292-9750, ACCESS CODE: 866559860# Click here to: <u>Join Microsoft Teams Meeting</u> For Technical Support: 1-206-433-7155

Item	Recommended Action	Page
1. BUSINESS AGENDA		
a. Cannabis retail business zoning considerations.  [Cont. from 7/14 Planning & Community Development Committee]  Nora Gierloff, Director of Community Development	a. Forward to 8/25 C.O.W. & 9/8 Special Meeting.	Pg.1
b. Discussion on tenant protections.  Laurel Humphrey, Legislative Analyst	b. Discussion only.	Pg.13
2. MISCELLANEOUS		

**Next Scheduled Meeting:** *September 8, 2025* 





Thomas McLeod, Mayor

# INFORMATIONAL MEMORANDUM

TO: Planning & Community Development Committee

FROM: Laurel Humphrey, Legislative Analyst

Nora Gierloff, DCD Director

CC: Mayor McLeod

DATE: **July 14, 2025 amended August 5, 2025** 

SUBJECT: Cannabis Retail Business Zoning Considerations

#### **ISSUE**

The City Council requested options to potentially expand zoning for cannabis retail establishments and staff has developed an ordinance reflecting Committee direction.

# **BACKGROUND**

Initiative 502 passed in November 2012 and created a comprehensive regulatory approach on cannabis with state-licensed producers, processors and retailers. Initiative 502 received a yes vote in all but one Tukwila precinct. HB 2870 created a Marijuana Social Equity Program in 2020 to address historic racial inequity in enforcement of marijuana laws. In 2022, 2SHB 1210 replaced all references to "marijuana" in state statutes and regulations with the word "cannabis."

- On September 3, 2013, the City Council adopted Ordinance 2407 to implement Initiative 502, determining that cannabis retailers, producers and processors are permitted uses in Tukwila Valley South and Heavy Industrial Zones, subject to the 1,000-foot exclusion rule (see attachment A).
- In 2015, 2SSB 5052 and HB 2136 allowed cities to reduce buffers from 1000 to 100 feet around all entities except elementary and secondary schools and public playgrounds.
- In 2017, the City Council received two separate requests to expand permitted cannabis retail zones but denied both on February 13, 2017.
- In September 2019, the Finance Committee discussed revenue and zoning considerations and decided against recommending any changes to the City Council at that time.
- In June 2021, the Finance & Governance Committee discussed revenue potential and decided against recommending any changes to the City Council.
- On May 13, 2024, the Planning and Community Development Committee discussed expanding retail cannabis zoning and recommended the topic return to the full Council for discussion in November 2024.
- On June 10, 2024, the Council discussed expanding retail cannabis zoning, <u>heard pro and conpublic comments</u>, and reached consensus to continue further discussions in 2025.
- On July 14 the PCD Committee discussed retail cannabis locations further.

#### **DISCUSSION**

#### Zoning

Currently, cannabis retail, production and processing are only permitted in the Tukwila Valley South, Tukwila South Overlay, and Heavy Industrial Zones. (Read more in the 8/26/13 staff report.) The City has received requests to expand those zones to include Regional Commercial Mixed Use (RCM) and the Southcenter area. Within the Southcenter area, the Tukwila Urban Center Commercial Corridor and Workplace Districts (TUC-CC and TUC-WP) might be most appropriate as they only allow limited residential uses and are largely unaffected by the State buffers even if those are kept at the maximum 1,000-foot distance.

#### **Buffer Distances**

State regulations listed in **WAC 314-55-050** prohibit issuance of licenses for cannabis businesses within 1,000 feet of the following uses:

- (a) Elementary or secondary school;
- (b) Playground;
- (c) Recreation center or facility;
- (d) Child care center;
- (e) Public park;
- (f) Public transit center;
- (g) Library; or
- (h) Any game arcade (where admission is not restricted to persons age 21 or older).

Cities may reduce those buffer distances to not less than 100 feet except for schools and playgrounds. Attachments A, B and C show the effect of the 1,000, 300 and 500- foot buffers around the above uses. Reducing these buffer distances where allowed would increase the location options for cannabis businesses. Which, if any, buffers would the Council consider reducing?

#### **Current Licenses**

Through the I-502 rulemaking process, the Liquor and Cannabis Board adopted regulations on the number of cannabis retail store licenses for jurisdictions, determining a maximum of two for Tukwila. A third cannabis retail license was granted in Tukwila as part of the <u>social equity effort</u> per E2SHB 2870 and SB 5080. All cannabis licensing is regulated and enforced by the Washington State Liquor and Cannabis Board. There are currently active licenses for Tukwila's three retail allotments: Mount Baker Retail Partnership, LLC (12539 E Marginal Way S), Dash & Wrigley LLC (13003 Tukwila International Boulevard), and Kahn Holding (5301 Southcenter Blvd, Suite B). None of these are open and operating currently, likely due to difficulty finding appropriate locations. Licensed retailers are required to be open and operational, but licenses can be held without opening if they obtain a title certificate relieving them of the requirement to be open based on a moratorium, ban, or other zoning restriction, or if the business is temporarily discontinued while they move locations.

#### Sales, B&O and Excise Tax Revenue

Active cannabis retail stores would generate three separate revenue streams: excise tax, sales tax, and B&O tax. The state cannabis excise tax and its distribution has changed over time and can be altered in any future legislative session. The State currently taxes cannabis through a single excise tax of 37% at the time of retail sale, in addition to the regular state and local sales tax, and \$30M of that statewide revenue is shared with cities, towns and counties. There are two components to the distributions: 1) per capita share to all jurisdictions that allow the siting of producers, processors and retailers; 2) retail share to all jurisdictions where licensed retailers are physically located and in proportion to total statewide retail sales. Tukwila does not have any open and operating cannabis businesses and therefore does not receive sales-based revenue. Tukwila's per capita distribution has been:

Year*	Revenues
2024	\$37,276
2023	\$36,302
2022	\$32,334
2021	\$24,013
2020	\$23,479
2019	\$23,123
2018	\$23,364

<sup>\*</sup>State Fiscal Year: July 1 – June 30

Beyond the excise tax, cannabis retail operations would generate sales and B&O tax. For every \$1 million in cannabis sales, the City could expect to receive \$9,000 in annual sales tax revenue (10% tax rate less the fee taken by the state for collection).

Staff looked up average retail sales within 5-miles of a cannabis retailer in the Ikea District of Renton, and for Jan-December 2023, the average per store was \$4.1 million. Hypothetically, if three retailers in Tukwila had combined yearly sales of \$12M, the City could receive \$108,000 of sales tax and \$6,000 in B&O tax in addition to the increased excise revenue described above. Another hypothetical example comes from the City of Covington, which has two cannabis retailers and a residential population similar to Tukwila. In 2023, the two Covington retailers had combined sales of \$12.8 million. Using this as another hypothetical scenario, the City could receive \$173,000 in sales tax and \$9,000 in B&O tax.

It is difficult to estimate what Tukwila would receive for its tax share if the three state-issued licenses were open and operational businesses. The excise tax formula depends not only on population but also on cannabis retail sales as a proportion of total retail sales, as well as the number/total population of cities and counties that prohibit marijuana. MRSC used to offer an estimate calculator but discontinued it due to complexity of the formula. While the revenue potential is difficult to predict, we can look to neighboring jurisdictions for insight, while recognizing that their larger residential populations result in greater shares than Tukwila would receive in similar circumstances. The chart below shows the 2024 cannabis excise revenue for neighboring cities with open retailers:

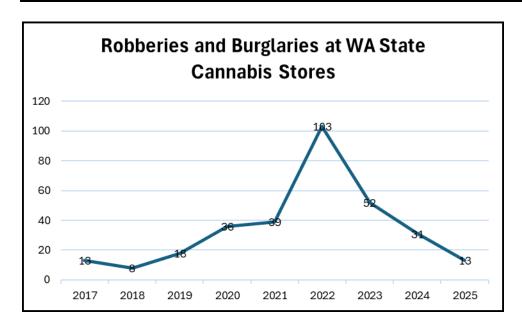
City (number of locations)	Population	2024 Cannabis Excise Revenue*
Burien (2)	50,216	\$164,000
Auburn (4)	83, 757	\$238,000
Des Moines (2)	32, 177	\$135,000
Renton (4)	102,716	\$300,000
Covington (2)	21,374	\$104,942

<sup>\*</sup>State Fiscal Year: July 1 – June 30

Based on these scenarios, if three retail locations were open and operational, Tukwila could expect to see between \$200,000 and \$275,000 in tax revenue annually.

#### **Crime & Safety around Retail Locations**

Cannabis retail stores are frequent targets for theft, typically in the form of armed robberies or smash and grab burglaries. Cannabis retailers have access to state-chartered credit unions and banks for financial services, and there are a number of institutions in Washington that provide service to the industry. The table below demonstrates the incidents of all robberies and burglaries in the state. It is important to note that in 2021, the State changed the police pursuit law, limiting the ability of officers to pursue suspects. In 2023, the law was changed to again allow police to pursue drivers if there is reasonable suspicion that a crime has occurred. This took effect on June 6, 2024.



Source: Uncle Ike's i502 Robbery Tracker

Alarms and surveillance systems are required at cannabis locations per **WAC 314-55-083.** Through the code update process, the City Council could consider establishing permitting requirements designed to address theft and crime concerns. Some suggestions are bollards to prevent cars from being used to smash open doors, commercial-grade non-residential door locks and/or window locks, and shatter resistant window film.

#### **RECOMMENDATION**

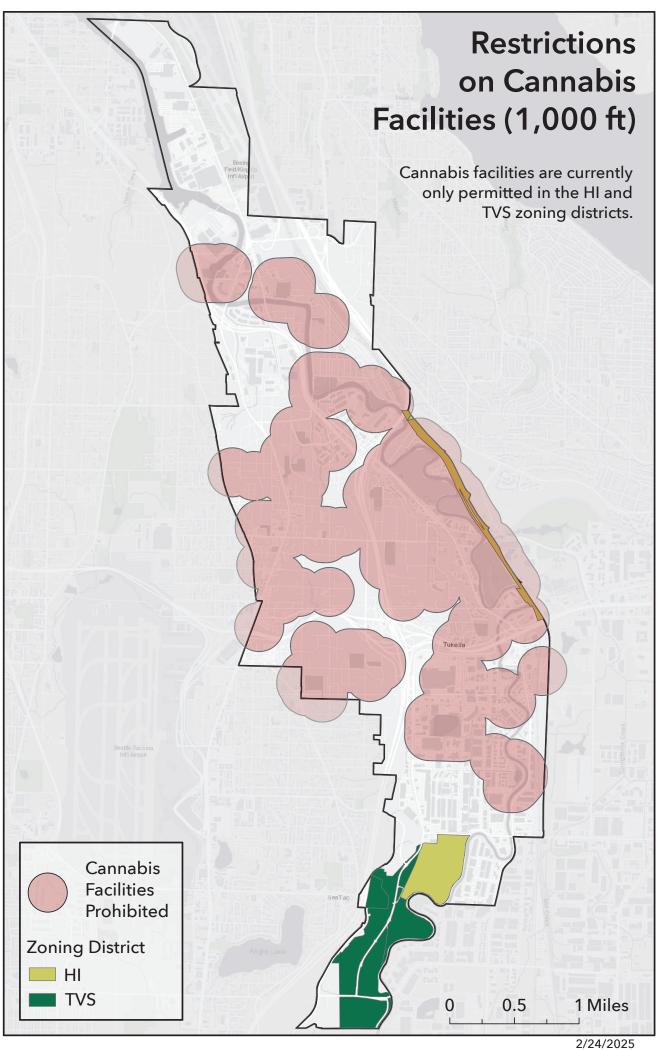
The Committee provided direction on the following topics:

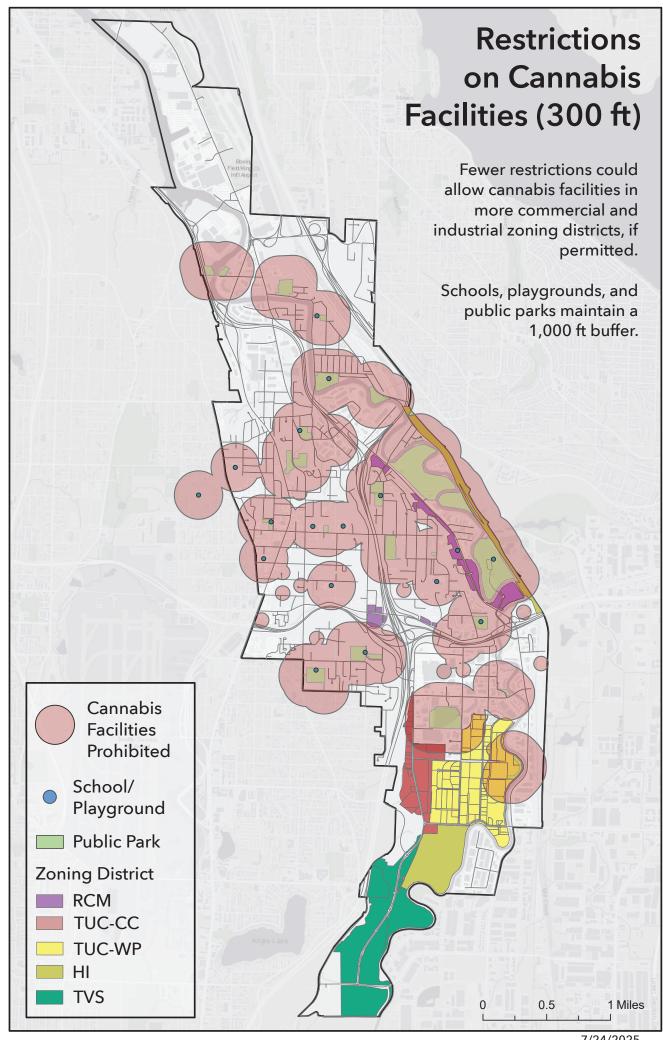
- Any additional zones to allow cannabis retail uses: RCM, TUC-CC, and TUC-WP;
- Any changes to buffer distances from sensitive uses: Retain 1,000' buffers around schools, playgrounds and parks and potentially reduce others to 300' or 500'; and
- Any security features above those required by the State: Require bollards, commercial door and window locks, shatter resistant window film and lighting.

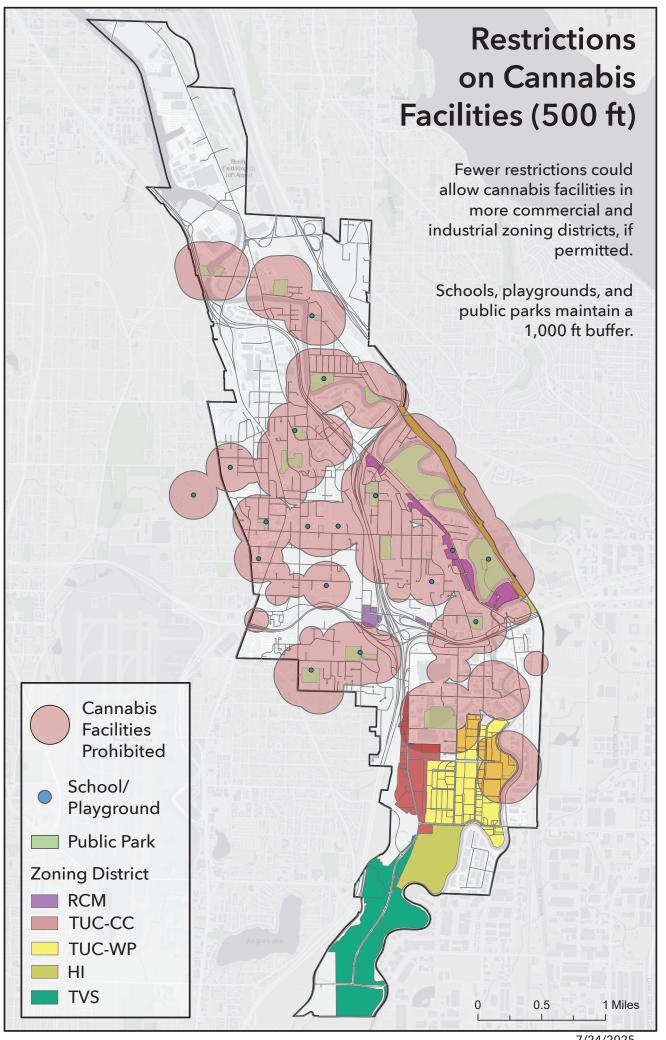
The draft ordinance in Attachment D reflects this guidance. The Council is being asked to hold a public hearing at the Committee of the Whole meeting on August 25<sup>th</sup> and consider approval of the ordinance at the September 8th, 2025 Special Meeting.

#### **ATTACHMENTS**

- A. Map showing current cannabis zoning and buffers in Tukwila
- B. Map showing 300 foot cannabis buffers
- C. Map showing 500 foot cannabis buffers
- D. Draft Ordinance







#### DRAFT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, UPDATING CANNABIS USE REGULATIONS; AMENDING ORDINANCE NOS. 2741 §3 (PART) AND 2765 §87; AS CODIFIED AT TUKWILA MUNICIPAL CODE TUKWILA MUNICIPAL CODE (TMC) CHAPTER 18.06, "DEFINITIONS," AND TMC SECTION 18.50.210; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

**WHEREAS,** on November 6, 2012, Initiative 502 was passed by the voters of the State of Washington, providing a framework under which cannabis producers, processors, and retailers can become licensed by the State of Washington; and

**WHEREAS**, the Washington State Liquor and Cannabis Board ("LCB") has issued three licenses for cannabis retailers within the City of Tukwila; and

WHEREAS, cities, towns, and counties in Washington State can choose to prohibit or to designate appropriate zones for state-licensed cannabis businesses because Washington local governments have authority to enact legislation regulating land uses within their jurisdictions; further, cities, towns, and counties may file objections to the granting of a state license at a particular location, and the LCB must give "substantial weight to objections"; however, the LCB has final authority over whether to grant or deny a state license to operate a cannabis business in Washington State per RCW 69.50.331(10); and

**WHEREAS**, the City Council has studied the land use and other secondary impacts of recreational marijuana use, and intends to update the zoning ordinance controlling these uses; and

**WHEREAS**, the State Environmental Policy Act (SEPA) Responsible Official issued a threshold decision for this draft ordinance on July 22, 2025, which was not appealed; and

**WHEREAS,** on August 25, 2025, following adequate public notice, the City Council held a public hearing on the draft zoning ordinance; and

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**WHEREAS,** the City Council after due consideration, believes that certain amendments to the City's zoning code are necessary addressing use districts, buffer distances, and safety features;

# NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

**Section 1.** Ordinance Nos. 2741 §3 (part) and 2765 §87 (part), as codified at various sections of Tukwila Municipal Code (TMC) Chapter 18.06, "Definitions," is hereby amended to read as follows:

# 18.06.551 Marijuana Cannabis

"Marijuana Cannabis" means all parts of the plant Cannabis, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

# 18.06.552 Marijuana Cannabis Processor

"Marijuana Cannabis processor" means a person licensed by the state Liquor and Cannabis Board to process marijuana cannabis, whether medical or recreational, into marijuana cannabis concentrates, useable marijuana cannabis and marijuana cannabis concentrates, useable marijuana cannabis and marijuana cannabis and marijuana cannabis infused products for sale in retail outlets; and sell marijuana cannabis concentrates, useable marijuana cannabis and marijuana cannabis and marijuana cannabis and marijuana cannabis retailers.

# 18.06.553 Marijuana Cannabis Producer

"Marijuana Cannabis producer" means a person licensed by the state Liquor and Cannabis Board to produce and sell marijuana cannabis, whether medical or recreational, at wholesale to marijuana cannabis processors and other marijuana cannabis producers.

# 18.06.554 Marijuana Cannabis Retailer

"Marijuana Cannabis retailer" means a person licensed by the state Liquor and Cannabis Board to sell marijuana cannabis concentrates, useable marijuana cannabis, and marijuana cannabis infused products in a retail outlet, for either recreational or medical use.

# 18.06.557 Marijuana Cannabis-infused Products

"Marijuana Cannabis - infused products" means products that contain marijuana cannabis or marijuana cannabis extracts; are intended for human use, whether medical or recreational; and have a THC concentration within the limits set forth in RCW

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69.50.101. The term "marijuana cannabis infused products" does not include either useable marijuana cannabis or marijuana cannabis concentrates.

# 18.06.558 Marijuana Cannabis Concentrates

"Marijuana Cannabis concentrates" is as defined under RCW 69.50.101.

# 18.06.864 Useable Marijuana Cannabis

"Useable <u>marijuanacannabis</u>" means dried <u>marijuanacannabis</u> flowers. The term "useable <u>marijuanacannabis</u>" does not include <u>marijuanacannabis</u>-infused products.

**Section 2.** Ordinance Nos. 2741 §3 (part) and 2765 §87 (part), as codified at TMC 18.50.210, "Marijuana Related Uses," is hereby amended to read as follows:

# 18.50.210 Marijuana Cannabis Related Uses

- **A. Applicable Regulations:** The production, processing and retailing of marijuana cannabis is and remains illegal under federal law. Nothing herein or as provided elsewhere in the ordinances of the City of Tukwila is an authorization to circumvent federal law or provide permission to any person or entity to violate federal law. Only state-licensed marijuana cannabis producers, marijuana cannabis processors, and marijuana cannabis retailers may locate in the City of Tukwila and then only pursuant to a license issued by the State of Washington. No cannabis business may be conducted as a home occupation or as part of a dwelling unit. The purposes of these provisions is solely to acknowledge the enactment by the state Liquor and Cannabis Board of a state licensing procedure and to permit, but only to the extent required by state law, marijuana cannabis producers, processors, and retailers to operate in designated zones of the City.
- **B. Prohibited zones:** The production, processing, selling, or delivery of marijuanacannabis, marijuanacannabis-infused products, or useable marijuanacannabis may not be conducted in association with any business establishment, dwelling unit, or home occupation located in any of the following areas:

Community Residential

High Density Residential

Mixed Use Office

Office

Residential Commercial Center

Neighborhood Commercial Center

Regional Commercial

Regional Commercial Mixed Use

Tukwila Urban Center

Commercial/Light Industrial

Light Industrial

Manufacturing Industrial Center/Light

Manufacturing Industrial Center/Heavy

C. <u>Buffer Distances</u>: No cannabis business may be established within 1,000 feet of the perimeter of the grounds of any elementary or secondary school, public park, or

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playground or 500 feet from the entities listed below. The distance will be measured as the shortest straight-line distance from the property line of the proposed building or business location to the property line of the listed use.

- (a) Recreation center or facility;
- (b) Child care center;
- (c) Public transit center;
- (d) Library; or
- (e) Any game arcade (where admission is not restricted to persons age 21 or older).
- D. Safety Features. All cannabis business locations shall install protective barriers, such as bollards at entrances, and shatter-resistant film on all ground level windows. All door and window locks shall be commercial grade. All cannabis business locations shall Pprovide security lighting per WAC 296-832-30015.

#### E. Violations.

- 1. Any violation of this section is declared to be a public nuisance per se, and, in addition to any other remedy provided by law or equity, may be abated by the City under the applicable provisions of this code or state law. Such violations shall be enforced and appealed with the procedures set forth in TMC 8.45. Each day any violation of this section occurs or continues shall constitute a separate offense.
- 2. Any person violating or failing to comply with the provisions of this section of the Tukwila Municipal Code shall be subject to enforcement as prescribed in TMC 8.45 and the issuance of a Notice of Violation and Order, in accordance with TMC 8.45.070, that shall carry with it a cumulative monetary penalty of \$1,000.00 per day for each violation from the date set for compliance until compliance with the Notice of Violation and Order is achieved.
- 3. In addition to any penalty that may be imposed by the City, any person violating or failing to comply with this section shall be liable for all damage to public or private property arising from such violation, including the cost of restoring the affected area to its condition prior to the violation.
- 4. Any penalties imposed under this section may be doubled should the violation(s) occur within 1,000 feet of the perimeter of the grounds of any elementary or secondary school, <u>public park</u>, or playground <u>or within 500 feet of a</u>, recreation center or facility, child care center, <u>public park</u>, public transit center, or library, or any game arcade to which admission is not restricted to persons aged 21 years or older, as such terms are defined in WAC 314-55-010 as now enacted or hereafter amended.
- **FC. Medical** marijuanacannabis: Growth of medical marijuanacannabis for the personal medical use of an individual qualifying patient as defined in RCW 69.51A.010 is subject to strict compliance with all state regulations, procedures and restrictions as set forth or hereafter adopted at RCW 69.51A.
- **GD.** Cooperative prohibited: The establishment, location, operation, licensing, maintenance or continuation of a cooperative, as described in RCW 69.51, or medical

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cannabis collective gardens or dispensaries as described in RCW 69.51A.085, is prohibited in all zones of the City. Any person who violates this subsection (TMC 18.50.210.D) shall be guilty of a gross misdemeanor and shall be punished by a fine not to exceed \$5,000.00, or by imprisonment in jail for a term not exceeding one year, or by both such fine and imprisonment.

HE. Additional Relief. The City may seek legal or equitable relief to enjoin any acts or practices and abate any condition which constitutes or will constitute a violation of this section of the TMC. The remedies and penalties provided herein are cumulative and shall be in addition to any other remedy provided by law.

**Section 3. Corrections by City Clerk or Code Reviser Authorized.** Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

**Section 4. Severability**. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

**Section 5. Effective Date**. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, a Regular Meeting thereof this day of, 2025.		
ATTEST/AUTHENTICATED:		
Andy Youn-Barnett, CMC, City Clerk	Thomas McLeod, Mayor	
APPROVED AS TO FORM BY:	Filed with the City Clerk:  Passed by the City Council:	
	Published:	
Office of the City Attorney	Ordinance Number:	

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Thomas McLeod, Mayor

# INFORMATIONAL MEMORANDUM

TO: Planning & Community Development Committee

FROM: Laurel Humphrey, Legislative Analyst

DATE: **August 4, 2025** 

SUBJECT: Washington State Renter Protection Update

#### **ISSUE**

House Bill 1217 was signed into law in May 2025 and limits rent and fee increases for residential and manufactured/mobile home tenancies. Key provisions include:

**Residential Rent Increase Limits**: Under the Residential-Landlord Tenant Act ("RLTA"), landlords cannot increase rent for existing tenants by more than 7% plus the Consumer Price Index (CPI) or 10%, whichever is less, in any 12-month period. On June 1 of each year, the state will publish annual calculations of the maximum increase allowable using CPI. The limits do not apply to rent adjustments after a tenant vacates a unit. Landlords must provide notice of rent increase in a format established by the state law.

**Rental Parity**: Landlords must provide rental parity between lease types for a specific dwelling unit, which means a landlord may not charge more than a 5% difference in rent depending on the type of lease.

**New Tenancy Increases**: Under both the RLTA and the MHLTA, landlords cannot increase the rent during the first 12 months of a tenancy.

Manufactured/Mobile Home Rent Increase and Fee Limits: Rent increases for manufactured homes are capped at 5% during any 12-month period. Move-in fees and security deposits should total no more than one month's rent. Late fees are capped between 2-5% of the total monthly rent, depending on lateness.

**Notice Requirements**: Landlords must provide 90 days' written notice of any rent increase, an increase from the previous 60-day requirement.

**Landlord Resource Center**: The bill required the Department of Commerce to create an online <u>landlord resource center</u> to provide information about available programs and services.

**Enforcement**: The Washington State Attorney General has the power to enforce the provisions of the law, including bringing actions and imposing penalties for violations.

**Tenant Protections**: Tenants have the right to challenge unlawful rent increases and can terminate their lease without penalty if a landlord violates the law.

**Exemptions**: The law includes specific exemptions, such as for newer properties, certain non-profit organizations, properties with specific affordable housing designations, and fourplex or smaller housing units where the landlord lives in one of the units. Any landlord claiming an exemption must include supporting facts in the written notice of the rent increase.

#### **Public Outreach**

Even though this is a state law, the City can assist in helping renters and landlords understand the changes to the law. Staff intends to put information online and publish articles in the Hazelnut and Utility insert. The Washington State Attorney General's website publishes a comprehensive <u>list of resources</u> to help renters that the city can help promote. The City can include information with the yearly license renewal email to landlords via the rental inspection program.

# <u> Draft City Ordinance - Proposed Renter Protections</u>

Since 2023, the Tukwila City Council has been discussing the possibility of enhancing renter protections locally and several iterations of a draft ordinance have been before Committees and Council, most recently in September 2024. Provisions of the most recent draft ordinance before the Council include:

- <u>Distribution of Information</u> the City will prepare written summaries of legal protections and landlords would be required to provide them to prospective renters, to new tenants, and to existing tenants.
- <u>Deposit Requirements</u> upfront costs over and above the 1st month's rent are capped at a total of 1-month rent, with a right to pay in installments over 6 months, or 2 months for leases shorter than 6 months.
- Late Fees Fees for late payment of rent shall not exceed 1.5% of monthly rent.
- Rent Due Dates Tenants may adjust rent due date if on a fixed income.
- <u>Social Security Numbers</u> Landlords may request but not require a social security number for purpose of screening prospective tenants.

These provisions are not addressed in HB 1217. Because the City Attorney has provided extensive input on this matter, a copy of the 8/23/24 staff report is included for reference.

#### RECOMMENDATION

This is an opportunity for the Committee to discuss HB 1217 and the 2024 draft ordinance.

#### **ATTACHMENTS**

Exhibit 1: Informational Memo updated 8/23/24

Exhibit 2: Draft Ordinance

# EXHIBIT 1: 2024 MEMO



# City of Tukwila

Thomas McLeod, Mayor

# INFORMATIONAL MEMORANDUM

TO: Tukwila City Council

FROM: Laurel Humphrey, Legislative Analyst

**Kari L. Sand, City Attorney** 

**Nick Morton, Assistant City Attorney** 

DATE: May 31, 2024 (Updated August 23, 2024, see page 7 for new information)

**SUBJECT:** Renter Protection Policy Proposals

# **ISSUE**

Draft ordinance regarding enhanced renter protections.

#### **BACKGROUND**

In May 2023, the Transit Riders Union (TRU) approached the City Council about adding additional regulations/protections for tenants in Tukwila.

The Planning and Community Development (PCD) Committee discussed the proposals at its May 1, 2023 meeting and requested that the City Attorney prepare a preliminary opinion on legal risk prior to any legislation being drafted. The Committee discussed the legal analysis at its August 7, 2023 meeting and subsequently directed staff to prepare an ordinance including specific components that posed limited risk and bore minimal impact to city resources and staffing.

The Committee further discussed the draft ordinance at its <a href="November 7">November 7</a>, 2023 meeting with revised recommendations based upon a pending legal challenge against the City of Kenmore. The draft ordinance no longer included protections associated with Rent Increase Notices or Just Cause Eviction. The Committee directed staff to conduct public outreach on the draft, which was done via inclusion in the renewal notices sent to landlords enrolled in the Residential Rental Business License and Inspection Program as well as an information page on the city website, a newsfeed post, and a request for comment in the e-Hazelnut.

In March 2024, TRU representatives made public comment and distributed a letter outlining a "minimum set of policies that would be acceptable," included in the public comment attached to this memo.

#### Ordinance Draft

The draft ordinance as recommended by last year's PCD Committee in November 2023 includes the following components:

• <u>Distribution of Information</u> – the City will prepare written summaries of legal protections and landlords would be required to provide them to prospective renters, to new tenants, and to existing tenants.

- <u>Deposit Requirements</u> upfront costs over and above the 1st month's rent are capped at a total of 1-month rent, with a right to pay in installments over 6 months, or 2 months for leases shorter than 6 months.
- <u>Late Fees</u> Fees for late payment of rent shall not exceed 1.5% of monthly rent.
- Rent Due Dates Tenants may adjust rent due date if on a fixed income.
- <u>Social Security Numbers</u> Landlords may request but not require a social security number for purpose of screening prospective tenants.

# City Attorney Analysis

In advance of the April 22, 2024 Committee of the Whole meeting, the City Attorney prepared a <u>legal analysis</u> of TRU's March 24, 2024 proposals. The analysis used a traffic light metaphor, assigning green to proposals that carry a low risk, yellow to proposals that carry a medium level of legal risk, and red to proposals that carry a high level of legal risk.

The following proposals were assigned green, meaning they carry low legal risk. All these proposals are already included in the current draft ordinance. Council has received both positive and negative responses to these provisions from public commenters. Analysis of the criticisms is included in the public comment section below.

- Cap move-in costs additional to first month's rent at no more than one month's rent, and allow payment in installments.
- Social security number cannot be required for rental applications.
- Renters on fixed income can change their rent due date.

The following proposals were assigned red, meaning they present high legal risk or are otherwise not advisable. The City Attorney advises against implementing these proposals.

- Tenant can terminate lease and move with 20 days' notice if rent is increased by 3% or more.
- Tenant is entitled to landlord-paid relocation assistance for large rent increases.
- Strengthen just cause protections, including closing the "lease loophole."
- Ban unfair, deceptive, and abusive practices.

The following proposals were assigned yellow, meaning they present a medium level of legal risk. Below is additional analysis of these proposals for Council's consideration.

- Require 180 days' notice for rent increases of 3% or more.
  - Analysis State law requires 60 days' notice of rent increases. A significant number of neighboring cities have imposed longer notice periods, usually either 120 days or 180 days. However, Kenmore's provision extending the notice period to 120 days is one of the provisions challenged by the Washington Business Properties Association in the lawsuit that is still pending in King County Superior Court (further discussion of the case is in the litigation section below).

- Prohibit landlords from raising rent on housing units that are defective, unsafe, or unlivable.
  - Analysis The draft ordinance does not currently include this provision. Burien and SeaTac have passed versions of this proposal, both of which prohibit rent increases where the dwelling is in violation of any element of RCW 59.18.060. These provisions are quite broad, as this RCW section lists all landlord duties, such as the requirement to maintain a duplicate key to each unit, which arguably is unrelated to a dwelling being defective, unsafe, or unlivable. Additionally, there is some risk that a provision of this kind could be challenged under RCW 35.21.830, which prohibits cities from enacting any ordinances that "regulate the amount of rent to be charged." By broadly prohibiting landlords from raising rents, a court could plausibly find the ordinance to be a "control on rent" that is preempted by state law. Thus, the recommendation is to only prohibit rent increases in instances where the dwelling is defective, unsafe, or unlivable and not to prohibit rent increases more broadly for any violation of RCW 59.18.060.
- Cap late fees at \$10 per month and ban notice delivery fees.
  - Analysis The draft ordinance includes a cap on late fees at 1.5% of monthly rent. The City received public comment both in support and against this provision. Raising or reducing the percentage or dollar value of the late fee cap does not affect the legal risk of this provision.

#### 4/22/24 Committee of the Whole

The Committee of the Whole discussed the draft ordinance at its April 22, 2024 meeting and referred it back to the Planning & Community Development Committee for additional discussion, to be followed up by a Full Council Work Session. The following themes emerged from Councilmember comments and questions:

# Response to public comments

The Council expressed a desire to more fully consider the input received from landlords regarding potential tenant protection measures. Greg and Vanessa Zaputil, who are landlords in Tukwila, submitted a 4-page letter addressing each of the provisions of the draft ordinance. They also provided public comment at the COW meeting held on April 22, 2024. Their key points are representative of the concerns presented by other public commenters that were critical of the provisions currently included in the draft ordinance. Below is an analysis of their criticisms:

#### 8.47.030 - Distribution of information

• **Criticism** - The requirement that distribution of information must take place "within 30 days" after being made available by the City is confusing. It is unclear when the clock starts on the 30 days.

Analysis – Is there a feasible method of providing notice to all landlords that the
informational packet has been released, such that there is a concrete date on which
the 30 days commences? The City could resolve this concern by posting on its website
with any new informational packet the start and end dates for any new 30-day clock.

# 8.47.040 - Deposit requirements and installment payments

- Criticism Landlords should not be limited in their ability to collect deposits and move-in fees because costs, bills, and expenses have increased for landlords. Also, state law already allows for installment payments and requires checklists and trust accounts for tenant deposits.
- Analysis Whether this provision is too burdensome for landlords is a policy question to be weighed by Council. It is true that chapter 59.18 RCW already allows for installment payments. However, the draft ordinance is more robust. The ordinance allows for six installment payments while state law only allows for up to three. It is also true that state law requires checklists and trust accounts for deposit funds. The draft ordinance adopts those requirements, though state law applies whether or not the City adopts it. Accordingly, the City could remove the checklist and trust account requirements from the draft ordinance for clarity, if desired.

# 8.47.050 - Late fees

- **Criticism** The cap on late fees in the draft ordinance is too harsh and will eliminate the incentive for tenants to pay rent on time.
- **Analysis** This is a policy question to be weighed by Council. The cap is at 1.5% in the current draft of the ordinance. Neither increasing nor reducing the cap will affect the legal risk of this provisions, which is relatively low.

# 8.47.060 - Due date adjustment

- **Criticism** Landlords have bills with due dates that cannot be adjusted, such that allowing for flexible rent due dates will affect the landlords' ability to pay their bills on time.
- **Analysis** This is a policy question to be weighed by Council. This provision presents very low legal risk.

# 8.47.070 - Social security numbers.

- **Criticism** Prohibiting landlords from requiring social security numbers (SSN) will limit their ability to verify that applicants are able to pay their rent and do not pose a threat to the property or other residents. Many landlords prefer to run their own background checks on applicants using SSNs.
- **Analysis** This is a policy question to be weighed by Council. This provision presents very low legal risk. The practical implications of this provision relate to the type of credit/background check a landlord can do with and without an SSN. In general, a SSN

is not required to run a credit report or criminal background check, though the use of a SSN arguably ensures more accuracy in these reports. Many typical background checks used by landlords do require a SSN. However, there are methods of conducting background checks without a SSN. One such method is a "reusable tenant screening report," which allows an applicant to obtain a screening report from a consumer reporting agency and submit the report to multiple landlords. This also helps applicants avoid paying screening fees every time they apply to a landlord. The draft ordinance requires landlords to accept these portable reports. Under RCW 59.18.030, these reports must include a credit report, criminal history, eviction history, employment verification, and rental history. There are also tenant screening services that landlords can use directly that do not require a SSN, though some landlords fear that these reports may not be as accurate (as noted by several landlords during public comment).

#### 8.47.090 - Violations and Penalties

- **Criticism** The enforcement provision of the ordinance is too harsh. The ordinance should include escalating warnings prior to punitive measures.
- Analysis The draft ordinance creates a private right of action to enforce these
  provisions, meaning that a tenant must bring a claim against a landlord. Adding a
  structure of escalating warnings would create an administrative burden on the City.
  Whether the penalties themselves are too harsh is a policy question to be weighed by
  Council.

# Status update of related pending/completed litigation

Washington Business Properties Association ("WBPA") v. City of Kenmore (pending) - There are no new developments in this case. Below is a summary of the claims brought against Kenmore in this matter:

- Requires 120-days' written notice for rent increases greater than 3% and 180-days' written notice for rent increases greater than 10%.
  - WBPA argues that this provision is preempted by RCW 35.21.830, which states that "controls on rent" are a state concern and may not be regulated by local governments. The strength of this argument is questionable, as this provision requires additional notice but does not limit the amount of rent chargeable. That said, it is still unknown how the courts will rule on this issue.
- Extends just cause eviction requirements to nonrenewal of lease agreements at expiration (i.e., closes the "lease loophole").
  - WBPA argues that this provision is preempted by state law, as it prohibits something expressly allowed under state law. Specifically, it prohibits nonrenewing a tenant's lease at the end of its term without just cause, which the WBPA asserts is allowed under RCW 59.12.030. There is an unpublished (non-

binding) appellate court case supporting this argument. See Rental Hous. Ass'n of Washington v. City of Burien, 23 Wash. App. 2d 1015 (2022) (see below).

- Prohibits unfair, abusive, and deceptive practices by landlords.
  - WBPA argues that this is an unconstitutionally vague restriction on speech.
     This is a facially valid constitutional claim but is unknown how the courts will rule on the issue. The City Attorney's Office previously flagged this provision as high risk (red category).

**Rental Housing Association of Washington v. City of Burien (2022) -** This case is unpublished, meaning it is technically non-binding. However, it does provide guidance as to how courts might rule on closing the "lease loophole."

Burien enacted an ordinance that extended just cause requirements to the non-renewal of a fixed term lease. This is what TRU refers to as "closing the lease loophole," which would require landlords to renew a tenant's lease at its expiration unless the landlord can show just cause for eviction under chapter 59.18 RCW.

The court held that Burien's ordinance was preempted by state law, as it "prohibits what state statute allows: eviction at the end of a lease term." This decision is based on RCW 59.12.030, which allows landlords to initiate an action to evict a tenant at the end of the lease term without showing one of the bases of just cause under RCW 59.18.650.

TRU maintains that this decision was wrongly decided, and has emphasized that it is unpublished, such that it does not prohibit closing the lease loophole. However, no subsequent lawsuits have tested this theory. Enacting such a provision carries a high risk of legal challenge.

# Funding relationship with King County Bar Foundation Housing Justice Project

The City of Tukwila participates in a funding collaborative for the KCBA at a rate of \$10,000 per year in the current biennium. KCBA provides free legal assistance to low-income tenants facing eviction. Neighborhood legal clinics make legal information and referral available to low-income residents. Adoption of an ordinance relating to tenant protections would not impact this relationship currently or in the future.

# <u>Tukwila's Rental Housing Inspection Program</u>

The City Council received a briefing on the Rental Housing Program at its February 12, 2024 Committee of the Whole meeting. (Meeting material)

The City of Tukwila's Rental Housing Program is comparable to other cities in Washington; however, some are stricter, and some are more lenient. In January, our rental staff began meeting with rental staff in other Washington cities to collaborate and learn about how their programs work. These meetings have so far included Aberdeen, Auburn, Bellingham, Burien,

Kent, Lakewood, Lynnwood, Olympia, Pasco, Renton, Seattle, Spokane, and University Place. Of all the cities in Washington that have rental programs almost all of them require an annual registration (some charge a fee, some do not). The city of Tukwila has an annual license fee. All cities with rental programs require periodic rental inspections every 2-5 years. The city of Tukwila inspects rental properties prior to issuing the rental license and every 4 years thereafter. Auburn and Seattle have adopted renter protections. A few of the other cities are looking at adopting renter protections and a few others do not want to get involved in that level of regulation. The common goal of all the city's programs is to provide healthy and safe housing to tenants.

The City of Tukwila offers courtesy inspections for tenants concerned about their living conditions on the <u>rental licensing webpage</u> and in the Hazelnut newsletter.

<u>Updates following June 10, 2024 Planning & Community Development Committee</u>

The Planning & Community Development Committee discussed the draft ordinance at its

June 10, 2024 meeting and made additional information requests addressed as follows:

# 1. Potential Small Landlord Exemption

# <u>Background</u>

There is no legal restriction on providing an exemption from tenant protection provisions to small landlord. However, an exemption of this kind is not common in Washington. None of the renter protection ordinances passed since 2021 in Kenmore, Redmond, Kirkland, Issaquah, Burien, SeaTac nor Seattle have exempted landlords based on the number of units owned.

<u>Several jurisdictions, including Auburn, Kenmore, and King County have considered such an exemption and ultimately opted not to pursue one.</u>

#### Kenmore

Kenmore's city council discussed adopting an exemption for small landlords at its June 13, 2022 council meeting. A motion to add an exemption for landlords owning four or fewer units was not seconded, and the exemption was accordingly not included in Kenmore's ordinance. The reasons provided by councilmembers for not supporting the exemption included the following:

- Such an exemption is difficult to enforce. Companies commonly purchase properties under separate LLCs, making it difficult to tell exactly how many units are owned by one "landlord." This can lead to large companies benefiting from the exemption.
- Renters' rights should not be different depending on who they are renting from.
- The state legislature has considered small landlord exemptions in the past but has never enacted one because of the practical difficulty in targeting the correct "mom and pop" landlords, as well as enforcement.
- The city's tenant protection provisions are not so onerous as to cause substantial hardship on small landlords.

Arguments in favor of the exemption were similar to those heard by the Tukwila City Council throughout its consideration of a tenant protection ordinance:

- Small landlords do not have the capital to deal with difficult situations in the same way that larger companies do. This means limitations on security deposits and late fees can cause financial hardship.
- Many small landlords use rental income to pay mortgages or to fund retirement.
- Small "mom and pop" landlords evict tenants at a lower rate than large companies.

# King County

King County passed a tenant protection ordinance in 2021 with many of the same provisions being considered by Tukwila, including a limit on move-in fees and late fees, increased notice of rent increases, and limitations on evictions. Councilmember Reagan Dunn proposed an exemption for landlords that own four or fewer units. The exemption was rejected by the council. Councilmembers who opposed the exemption provided as a rationale that a renter's rights should not be different depending on who they are renting from.

# 2. Provide Information on Cost of Ballot Measures

The cost of placing a measure on a ballot in King County is variable and depends on factors including number of participating jurisdictions, number of voters in each jurisdiction, and total number of races and ballot measures each jurisdiction has on the ballot. There are also staffing costs associated with preparing for a ballot measure, which requires preparation and adoption of a resolution, preparation of an explanatory statement, solicitating and coordinating the pro/con committees, and submitting associated paperwork.

In Tukwila, the 2023 PSRFA annexation on the August primary ballot cost \$13K, and the 2022 minimum wage citizens' initiative on the November general ballot cost \$27K.

#### RECOMMENDATION

Staff is seeking Council discussion and direction on the proposed ordinance.

#### **ATTACHMENTS**

Exhibit 1: Draft Ordinance Exhibit 2: Comment Letters

Exhibit 3: Original TRU Policy Proposals May 2023

#### **DRAFT**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, REPEALING ORDINANCE NO. 2526, AS CODIFIED AT TUKWILA MUNICIPAL CODE (TMC) CHAPTER 8.47; REENACTING TMC CHAPTER 8.47, "RENTAL HOUSING TENANT PROTECTIONS;" PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

**WHEREAS**, over the past several years, average rents in South King County have increased, and vacancies for affordable rental housing are at low levels, making it difficult for tenants, especially those with low incomes, to locate affordable rental housing; and

**WHEREAS**, the King County Regional Affordable Housing Task Force issued its *Final Report and Recommendations for King County, WA*, December 2018 (rev. October 2019) (hereafter referred to as "*Regional Affordable Housing Task Force Final Report*"), which identifies that renting rather than owning a home increases the chances of being severely cost burdened, and recognizes an existing affordable housing crisis in King County; and

**WHEREAS**, the Regional Affordable Housing Task Force Final Report includes a regional plan with goals, strategies and a Five-Year Action Plan to address the affordable housing crisis, and Goal 4 of the action plan is to "[p]reserve access to affordable homes for renters by supporting tenant protections to increase housing stability and reduce risk of homelessness"; and

WHEREAS, the King County Countywide Planning Policies, developed pursuant to the Washington State Growth Management Act, suggest that local jurisdictions "[a]dopt and implement policies that protect housing stability for renter households; expand protections and supports for moderate-, low-, very low-, and extremely low-income renters and renters with disabilities"; and

**WHEREAS**, the Tukwila community includes a relatively high percentage of renters compared to the Washington State average, with the most recent census data indicating that just 42.7% of housing units are owner-occupied, which is significantly lower than the statewide average of 63.6%; and

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**WHEREAS,** enhanced tenant protections, in addition to those in the Residential Landlord-Tenant Act (chapter 59.18 RCW), are in the best interests of the residents of Tukwila and will promote the public health, safety, and welfare of the City; and

**WHEREAS**, the City Council is committed to maintaining vibrant and diverse neighborhoods while balancing the needs of landlords and tenants; and

**WHEREAS**, to ensure adequate time to educate landlords about the requirements and responsibilities imposed on them as a result of this ordinance, and to give landlords time to update their administrative processes to achieve compliance with this ordinance, the effective date of this ordinance shall be delayed to January 1, 2024.

# NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

**Section 1. Repealer.** Ordinance No. 2526 is hereby repealed in its entirety, thereby eliminating Tukwila Municipal Code (TMC) Chapter 8.47, "Fair Housing Regulations."

**Section 2. TMC Chapter 8.47 Reenacted.** TMC Chapter 8.47 is hereby reenacted to read as follows:

# CHAPTER 8.47 RENTAL HOUSING TENANT PROTECTIONS

Sections:	
8.47.010	Definitions
8.47.020	Applicability
8.47.030	Distribution of information required
8.47.040	Deposit requirements and installment payments permitted
8.47.050	Late fees
8.47.060	Due date adjustments
8.47.070	Social security numbers not required
8.47.080	Violations and penalties

**Section 3. Regulations Established.** TMC Section 8.47.010 is hereby established to read as follows:

#### 8.47.010 Definitions

The definitions of this section apply through this chapter unless the context clearly requires otherwise. The definitions of RCW 59.18.030 under the Residential Landlord-Tenant Act (RLTA), as now in effect or as may be subsequently amended, also apply to this chapter unless otherwise defined in this section.

"Dwelling" or "dwelling unit" has the same meaning as RCW 59.18.030(10), as now in effect or as may be subsequently amended, and 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

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persons maintaining a common household, including but not limited to single-family residences and units of multiplexes, apartment buildings, and mobile homes.

"Landlord" has the same meaning as RCW 59.18.030(16), as now in effect or as may be subsequently amended, excluding the living arrangements identified in RCW 59.18.040, and means the owner, lessor, or sublessor of the dwelling unit or the property of which it is a part, and further 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.

"Rent" has the same meaning as RCW 59.18.030(29), as now in effect or as may be subsequently amended, and means recurring and periodic charges identified in the rental agreement for the use and occupancy of the premises, which may include charges for utilities. Except as provided in RCW 59.18.283(3), rent does not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees, including attorneys' fees.

"Rental Agreement" or "lease" has the same meaning as RCW 59.18.030(30), as now in effect or as may be subsequently amended, and means all agreements which establish or modify the terms, conditions, rules, regulations, or any other provisions concerning the use and occupancy of a dwelling unit.

"Security Deposit" means a refundable payment or deposit of money, however designated, owed by the tenant to the landlord at the commencement of a rental agreement to secure performance of a rental agreement or any part of a rental agreement.

"Subsidized Housing" has the same meaning as RCW 59.18.030(33), as now in effect or as may be subsequently amended, and refers to rental housing for very low-income or low-income households that is a dwelling unit operated directly by a public housing authority or its affiliate, or that is insured, financed, or assisted in whole or in part through one of the following sources: (a) a federal program or state housing program administered by the Department of Commerce or the Washington State Housing Finance Commission; (b) a federal housing program administered by a city or county government; (c) an affordable housing levy authorized under RCW 84.52.105; or (d) the surcharges authorized in RCW 36.22.250 and any of the surcharges authorized in chapter 43.185C RCW.

"Tenant" has the same meaning as RCW 59.18.030(34), as now in effect or as may be subsequently amended, and excluding the living arrangements identified in RCW 59.18.040, and RCW 59.20.030(24), as now in effect or as may be subsequently amended, and means any person who is entitled to occupy a dwelling unit primarily for living or dwelling purposes under a rental agreement, and RCW 59.20.030 defines "tenant" as any person, except a transient, who rents a mobile home lot.

**Section 4. Regulations Established.** TMC Section 8.47.020 is hereby established to read as follows:

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# 8.47.020 Applicability

The provisions of this chapter apply to tenancies governed by Chapter 59.18 RCW (Residential Landlord Tenant Act) and Chapter 59.20 RCW (Manufactured/Mobile Home Landlord-Tenant Act) and are in addition to the provisions provided in said chapters of the RCW. The provisions of this chapter shall not apply to rental agreements between an owner and tenant where the owner shares the dwelling unit as a primary residence with the tenant.

**Section 5. Regulations Established.** TMC Section 8.47.030 is hereby established to read as follows:

# 8.47.030 Distribution of information required.

- A. The City shall prepare, and update as necessary, summaries of this chapter, the Nuisance Code (TMC Section 8.28.020), the Washington State Residential Landlord Tenant Act (Chapter 59.18 RCW), Forcible Entry and Unlawful Detainer (Chapter 59.12 RCW), and Fair Housing laws, describing the respective rights, obligations, and remedies of landlords and tenants, including information about legal resources available to tenants.
- B. A landlord shall provide a copy of the summaries prepared by the City as described in subsection A of this section to any tenant or prospective tenant when a rental agreement is offered, whether the agreement is for a new or renewal agreement.
- C. Where there is an oral rental agreement, the landlord shall give the tenant copies of the summaries as described in subsection A of this section, either before entering into the oral rental agreement or as soon as reasonably possible after entering into the oral rental agreement.
- D. For existing tenants, landlords shall, within thirty (30) days after the summaries are made available by the City, distribute copies of the summaries to existing tenants.
- E. The initial distribution of information to tenants must be in written form and landlords shall obtain the tenant's signature documenting tenant's receipt of such information. If a tenant refuses to provide a signature documenting the tenant's receipt of the information, the landlord may draft a declaration stating when and where the landlord provided tenant with the required information. After the initial distribution of the summaries to tenants, a landlord shall provide existing tenants with the most current summaries prepared by the City, which summaries may be distributed in electronic form, unless a tenant specifically requests written summaries in hard copy form.
- F. The packet prepared by the City includes informational documents only, and nothing in the summaries therein shall be construed as binding on or affecting any judicial determination of the rights and responsibilities of landlords and tenants, nor is the City liable for any misstatement or misinterpretation of the applicable laws.

**Section 6. Regulations Established.** TMC Section 8.47.040 is hereby established to read as follows:

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# 8.47.040 Deposit requirements and installment payments permitted.

- A. The sum of any security deposits and nonrefundable move-in fees charged by a landlord before a tenant takes possession of a dwelling unit shall not exceed an amount equal to one month's rent, except in subsidized housing where the amount of rent is set based on the income of the tenant. The exception for subsidized housing shall not include tenancies regulated under Section 8 of the Housing Act of 1937, 42 U.S.C. Section 1437f, commonly known as the "choice voucher program."
- B. Tenants entering rental agreements with terms lasting six or more months may choose to pay their move-in fees and security deposits in six equal monthly installments over the first six months occupying the dwelling unit.
- C. Tenants entering rental agreements with terms lasting fewer than six months or month-to-month rental agreements may choose to pay move-in fees and security deposits in two equal monthly installments over the first two months occupying the dwelling unit.
- D. 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.
  - E. Installment payments are due at the same time rent is due.
  - F. All installment schedules must be in writing, signed by both parties.
- G. Paying in installments does not apply to a landlord obtaining a tenant screening report, which report cost paid by the tenant shall be limited to the standard and actual cost of the tenant screening report.
- H. No security deposit may be collected by a landlord unless the rental agreement is in writing and a written checklist or statement specifically describing the condition and cleanliness of, or existing damages to, the premises and furnishings, including, but not limited to, walls, floors, countertops, carpets, drapes, furniture, and appliances, is provided by the landlord to the tenant at the beginning of the tenancy. The checklist or statement shall be signed and dated by the landlord and the tenant, and the tenant shall be provided with a copy of the signed checklist or statement.
- I. A landlord must place any required security deposit in a trust account and provide a written receipt and notice of the name, address, and location of the depository and any subsequent change thereof to the tenant, in compliance with the requirements of RCW 59.18.270.
- J. Nothing in this section prohibits a landlord from bringing an action against a tenant to recover sums exceeding the amount of the tenant's security deposit for damage to the dwelling unit for which the tenant is responsible. The landlord may seek attorney's fees for such an action as authorized by Chapter 59.18 RCW

**Section 7. Regulations Established.** TMC Section 8.47.050 is hereby established to read as follows:

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#### 8.47.050 Late fees

- A. Any fees for late payment of rent shall not exceed 1.5% of monthly rent per month. No other fees may be charged for late payment of rent. Any rental agreement provision providing for such fees shall be deemed void with respect to any provision prohibited by this subsection. This subsection shall not apply to or limit decisions, orders, and rulings of courts of competent jurisdiction.
- B. Any notice to pay or vacate served under RCW 59.12.030(3) shall include within the notice in at least sixteen (16) point bold font for the following information:

"You have 14 days to pay the rent required by this notice. After 14 days, you may pay the rent but will have to include a late fee totaling at most 1.5% of monthly rent for each month of rent owed. If the landlord has started a court case to evict you and the case is filed in court, you will need to pay court costs as well before the hearing date to avoid eviction."

**Section 8. Regulations Established.** TMC Section 8.47.060 is hereby established to read as follows:

# 8.47.060 Due date adjustments

All rental agreements executed after the adoption of this ordinance shall include, or be deemed to include, a provision allowing tenants to adjust the due date of rent payments if the tenant has a regular monthly source of governmental assistance, or fixed income source (e.g., Social Security) that the tenant receives on a date of the month that is incongruent with paying rent on the date otherwise specified in the rental agreement. A landlord shall not refuse to rent to a prospective tenant or terminate a lease based on a request for a due date adjustment.

**Section 9. Regulations Established.** TMC Section 8.47.070 is hereby established to read as follows:

# 8.47.070 Social Security numbers not required

A landlord may request but shall not require a social security number for the purposes of screening a prospective tenant as allowed under RCW 59.18.257. A landlord shall not refuse to enter into a rental agreement with a prospective tenant or prospective occupant because the prospective tenant or prospective occupant does not agree to provide a social security number. Alternative proof of financial eligibility such as portable screening reports or other proof of income must be accepted, where available, if offered by the tenant or prospective tenant.

**Section 10. Regulations Established.** TMC Section 8.47.080 is hereby established to read as follows:

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# 8.47.090 Violations and penalties

A landlord found in violation of any of the provisions in this chapter, unless otherwise provided in this chapter, shall be liable to such a tenant in a private right of action for the greater of double the tenant's economic and noneconomic damages, or three times the monthly rent of the dwelling unit at issue, and reasonable litigation costs and attorneys' fees.

**Section 11. Corrections by City Clerk or Code Reviser Authorized.** Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

**Section 12. Severability**. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

**Section 13. Effective Date**. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL Ca Regular Meeting thereof this	OF THE CITY OF TUKWILA, WASHINGTON, at day of, 2024.
ATTEST/AUTHENTICATED:	
Andy Youn, CMC, City Clerk	Thomas McLeod, Mayor
APPROVED AS TO FORM BY:	Filed with the City Clerk:
	Passed by the City Council:
	Published:
	Effective Date:
0.55	Ordinance Number:
Office of the City Attorney	

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