

JUDICIAL IMPACT FISCAL NOTE

Bill Number: 5160 2SSB	Title: Landlord – Tenant Relations	Agency: 055 – Administrative Office of the Courts (AOC)
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Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Total:					

Estimated Expenditures from:

STATE	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE – Staff Years					
Account					
General Fund – State (001-1)	197,954	197,954	395,908	49,489	
State Subtotal	197,954	197,954	395,908	49,489	
COUNTY					
County FTE Staff Years					
Account					
Local - Counties					
Counties Subtotal					
CITY					
City FTE Staff Years					
Account					
Local – Cities					
Cities Subtotal					
Local Subtotal					
Total Estimated Expenditures:	197,954	197,954	395,908	49,489	

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form parts I-V

☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

Legislative Contact:	Phone:	Date:
Agency Preparation: Sam Knutson	Phone: 360-704-5528	Date: 2/25/2021
Agency Approval: Ramsey Radwan	Phone: 360-357-2406	Date:
OFM Review:	Phone:	Date:

Part II: Narrative Explanation

This bill would:

- Prohibit landlords from terminating or refusing to renew a rental lease that expires at the end of the lease term or is subject to a twenty day termination notice after expiration of any public health emergency, with some specified exceptions;
- Authorize tenants adversely impacted by COVID to terminate their tenancy upon a twenty-day notice;
- Prohibit landlords from charging or imposing late fees or other charges for nonpayment of rent during any public health emergency;
- Require landlords, prior to any collection action for unpaid rent accrued during the Governor's eviction moratorium or during any public health emergency, to first offer tenants a repayment plan based on the financial, health, or other circumstances of the tenant;
- Require a court to appoint counsel for indigent tenants at the initial hearing and at trial and for the state to pay the costs of such legal services (subject to appropriation);
- Require the Department of Commerce (COM) to authorize landlord access to state rental assistance programs;
- Require a court to seal unlawful detainer actions unless the landlord prevails at the initial hearing or trial or any default judgment is not vacated or set aside within sixty days of the complaint filing; and
- Eliminate the optional notice for landlords to use in nonpayment of rent cases that instruct tenants to pay into the court registry the rent allegedly owed or file a statement denying rent is owed.
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Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

This bill differs from SSB 5160:

- Would limit tenant protections for past due rent and late fees only to charges incurred during a public health emergency;
- Would remove the two-year prohibition on terminating a tenancy or refusing to renew a rental agreement;
- Would make revisions to the landlord mitigation program; and
- Would make revisions to mandatory rental repayment plan terms and requirements;
- Would provide that legal representation services must be prioritized in counties with the most evictions.

This bill would provide tenants with additional rights and protections during an eviction process.

A tenant's right to possess a dwelling cannot be conditioned on the payment of rent during the eviction moratorium period. Tenants can terminate the rental agreement early and a landlord cannot seek any penalties for the early termination.

Landlords must offer tenants repayment plans for past due rent before initiating a collections action.

II.B - Cash Receipt Impact

None.

II.C – Expenditures

Fiscal impact is partially indeterminate, but expected to be significant. It is unknown how many cases this bill may create, but it is possible / likely to be in the tens of thousands.

In addition to the substantially increased caseload, it is expected that (on average) cases will take longer and additional hearings will be required for each case. For example, cases that require an appointed attorney will require an appointment hearing where previously none was needed. Additional hearings and proceedings are likely to substantially increase judicial officer time, and would likely require the appointment of additional judicial officers (judge, court commissioners, and staff).

Section 7(1) – Would require the AOC to contract with DRC’s within or serving each county to establish a court-based eviction resolution pilot program operated in accordance with Supreme Court Order 25700-B-639 and any standing judicial order of the individual superior court.

Section 7(5) – Would require the AOC to establish program participation requirements for both the landlord and tenants consistent with any standing judicial order in effect.

Section 7(6) – Would require [permissive: “may”] the AOC to establish and produce any other notice forms and requirements as necessary to implement the eviction resolution pilot program.

Section 7(7) – Section 8 would expire July 1, 2023.

AOC Staff would develop, manage and maintain the grant/contract program within the parameters of the court order and this proposal.

NOTE: It is estimated that \$4.3 million per year would be needed for all dispute resolution centers to participate in the program as described in this bill. Detailed information will be provided upon request.

Table I – AOC Staff Cost Detail

Cost Category	FY 2022	FY 2023	Biennium Total	FY 2024
Senior Financial Analyst (range 52)	1.0	1.0	1.0	0.3
Salaries	65,928	65,928	131,856	16,482
Benefits	25,688	25,688	51,376	6,422
Total	91,616	91,616	183,232	22,904
Court Program Specialist (range 55)	1.0	1.0	1.0	0.3
Salaries	71,522	71,522	143,044	17,881
Benefits	34,816	34,816	69,632	8,704
Total	106,338	106,338	212,676	26,585
Cost Summary				
Cost Category	FY 2022	FY 2023	Biennium Total	FY 2024
FTE	2.0	2.0	2.0	0.5
Salaries	137,450	137,450	274,900	34,363
Benefits	60,504	60,504	121,008	15,126
Total	197,954	197,954	395,908	49,489

Part III: Expenditure Detail

III.A – Expenditures by Object or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE – Staff Years	2.0	2.0	2.0	0.5	
A – Salaries & Wages	137,450	137,450	274,900	34,363	

B – Employee Benefits	60,504	60,504	121,008	15,126	
C – Prof. Service Contracts					
E – Goods and Services					
G – Travel					
J – Capital Outlays					
N – Grants					
Total:	197,954	197,954	395,908	49,489	

III.B – Detail:

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Senior Financial Analyst		1.0	1.0	1.0	0.3	
Court Program Specialist		1.0	1.0	1.0	0.3	
Total FTE's		2.0	2.0	2.0	0.5	

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.