

JUDICIAL IMPACT FISCAL NOTE

Bill Number: 5160 E2SSB	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: 3/16/2021
Agency Approval: Ramsey Radwan	Phone: 360-357-2406	Date:
OFM Review:	Phone:	Date:

Part II: Narrative Explanation

This bill would:

- Require landlords to offer tenants a repayment plan for unpaid rent accrued during the public health emergency, with monthly payments no more than one-third of the tenant's monthly rent;
- Provide that landlords may file reimbursement claims under the Landlord Mitigation Program for unpaid rent that accrued between March 1, 2020 and the end of the public health emergency, when a tenant has vacated or abandoned the tenancy or when the tenant defaults on a repayment plan;
- Require the Administrative Office of the Courts to contract with dispute resolution centers to establish a two-year, statewide eviction resolution pilot program to facilitate the resolution of nonpayment of rent cases;
- Provide a right to counsel for indigent tenants in unlawful detainer show cause hearings and trials; and
- Authorize landlords access to certain rental assistance programs through the Department of Commerce.

Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

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) – Would require a superior court, in collaboration with the dispute resolution center that is located within or serving the same county, participating in the eviction resolution pilot program to report annually to the Administrative Office of the Courts beginning January 1, 2022 until January 1, 2023, on the following:

- (a) Number of unlawful detainer actions for nonpayment of rent subject to program requirements;
- (b) Number of referrals made to dispute resolution centers;
- (c) Number of nonpayment of rent cases resolved by the program;
- (d) How many instances the tenant had legal representation either at the conciliation stage or formal mediation stage;
- (e) Number of certifications issued by dispute resolution centers and filed by landlords with the court; and
- (f) Any other information that relates to the efficacy of the pilot program.

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.