Executive Summary: Health Impact Review of ESHB 2114

Improving housing stability for tenants subject to the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act by limiting rent and fee increases, requiring notice of rent and fee increases, limiting fees and deposits, establishing a landlord resource center and associated services, authorizing tenant lease termination, creating parity between lease types, and providing for attorney general enforcement (2024 Legislative Session)

Evidence indicates that ESHB 2114 may lead to some landlords and tenants becoming aware of rent and fee increase limitations, exemptions, required annual notifications, new enforcement actions, and additional tenant protections, which may lead to some landlords limiting rent and fee increases and notifying tenants annually, which would likely improve economic and housing stability and health outcomes for some current tenants. There is unclear evidence how provisions may impact inequities. It is not-well-researched how provisions may impact rental unit quality, claimed exemptions by landlords, and the rental market.

BILL INFORMATION

Sponsors: House Appropriations (originally sponsored by Representatives Alvarado, Macri, Ramel, Peterson, Mena, Slatter, Farivar, Taylor, Doglio, Cortes, Fitzgibbon, Gregerson, Berry, Senn, Reed, Bateman, Ortiz-Self, Simmons, Ormsby, Street, Chopp, Orwall, Bergquist, Berg, Wylie, Stonier, Lekanoff, Fosse, Riccelli, Pollet, Kloba, and Davis)

Summary of Bill:

Full details about the provisions of this bill can be found in the extended bill summary in the full report. Given the length of the bill and the large number of provisions, this summary highlights sections most relevant to this review.

- Adds new sections to the Residential Landlord-Tenant Act (RLTA, <u>Chapter 59.18 RCW</u>)
 and Manufactured/Mobile Home Landlord-Tenant Act (MHLTA, <u>Chapter 59.20 RCW</u>),
 and establishes an immediate effective date.
- Prohibits a landlord^a from increasing the rent and fees combined for any tenancy: a) during the first 12 months after the tenancy begins; and b) in an amount greater than 7% during any 12-month period.
- Allows a landlord to increase rent and fees combined in an amount greater than allowed only through certain exemptions.
- Requires a landlord to provide annual notice, with certain notification requirements, to tenants of rent and fee increases and any claimed exemptions.

For more information:

Phone: (360) 819-0750 Email: hir@sboh.wa.gov

Website: https://sboh.wa.gov/health-impact-reviews

WASHINGTON STATE BOARD OF HEALTH



^a The literature often uses "landlord" and "property owner" interchangeably. Throughout this HIR, we use the term "landlord" (as defined in <u>RCW 59.18.030</u> and <u>RCW 59.20.030</u>) to refer to the owner, lessor, or sublessor of a dwelling unit, mobile home park, 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.

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- Requires the Washington State Department of Commerce to create an online landlord resource center and distribute information to landlords about certain resources and programs.
- Requires the Office of the Attorney General to publish, with certain publishing requirements, model lease provisions regarding rent and fee increases by January 1, 2025, and periodically after.
- Allows the Consumer Protection Act (<u>Chapter 19.86 RCW</u>) to be applied for certain violations by a landlord.
- Establishes certain additional protections for tenants.

HEALTH IMPACT REVIEW

Summary of Findings:

This Health Impact Review found the following evidence for provisions in ESHB 2114:

• Informed assumption that the following changes may lead to some tenants and landlords becoming aware of changes to the law: 1) prohibiting landlords from increasing rent and fees combined for any tenancy a) during the first 12 months after the tenancy begins; and b) in an amount greater than 7% during any 12-month period; 2) exempting landlords from rent and fee increase limitations under certain situations; 3) requiring landlords to provide annual written notification to tenants of rent and fee increases and any claimed exemptions; 4) allowing certain enforcement actions be applied for certain violations by a landlord; and 5) creating certain additional protections for tenants. This assumption is based on information from key informants and evidence from Oregon and New York City.

Pathway 1: Immediate impacts to tenants

- **Informed assumption** that some landlords and tenants becoming aware of rent and fee increase limitations, exemptions, required annual notifications, new enforcement actions, and additional tenant protections may lead to some landlords limiting rent and fee increases and notifying tenants annually. This assumption is based on information from key informants.
- Fair amount of evidence that some landlords limiting rent and fee increases and notifying tenants annually would likely lead to improved economic and housing stability for some current tenants.
- Very strong evidence that improved economic and housing stability would likely improve health outcomes for some current tenants.

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- Unclear evidence how ESHB 2114 may impact inequities as there is limited research evaluating the impact of rent control and rent stabilization policies on different groups of people; additional underlying factors that contribute to housing stability and affordability; a combination of policies that impact the larger rental housing context; and a possibility of allowable rent increases to be unevenly distributed.
- **Informed assumption** that some landlords and tenants becoming aware of rent and fee increase limitations, exemptions, required annual notifications, new enforcement actions, and additional tenant protections may result in some landlords claiming an exemption. This assumption is based on information from key informants.
- **Not well researched** how some landlords claiming an exemption may impact economic and housing stability for some tenants.
- **Not well researched** how some landlords limiting rent and fee increases and notifying tenants annually may impact the quality of regulated rental units.

Pathway 2: Longer-term impacts to housing market

• **Not well researched** how some tenants and landlords becoming aware of rent and fee increase limitations, exemptions, required annual notifications, new enforcement actions, and additional tenant protections may impact available rental housing.

FULL REVIEW

For review methods, logic model, strength-of-evidence analyses, and citations of empirical evidence refer to the full Health Impact Review at

https://sboh.wa.gov/sites/default/files/2024-06/HIR-2024-10-ESHB2114.pdf

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