SEATTLE CITY COUNCIL

Housing, Arts, and Civil Rights Committee

Agenda

Wednesday, July 8, 2026

2:00 PM

Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

Dionne Foster, Chair
Eddie Lin, Vice-Chair
Joy Hollingsworth, Member
Debora Juarez, Member
Alexis Mercedes Rinck, Member

Chair Info: 206-684-8809; Dionne.Foster@seattle.gov

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July 8, 2026 - 2:00 PM

Meeting Location:
Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

Committee Website:
https://seattle.gov/council/housing-arts-and-civil-rights

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Members of the public may register for remote or in-person Public Comment to address the Council. Please register in advance in order to be recognized by the Chair. Details on how to register for Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at https://www.seattle.gov/council/committees/public-comment. Online registration to speak will begin one hour before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting.

In-Person Public Comment - Register to speak on the public comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting.

Please submit written comments no later than four business hours prior to the start of the meeting to ensure that they are distributed to Councilmembers prior to the meeting. Comments may be submitted at Council@seattle.gov or at Seattle City Hall, Attn: Council Public Comment, 600 4th Ave., Floor 2, Seattle, WA 98104. Business hours are considered 8 a.m. - 5 p.m. Comments received after that time will be distributed after the meeting to Councilmembers and included as part of the public record.

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

Members of the public may address items on the agenda and matters within the purview of the committee. Please register in advance to be recognized by the Chair.

D. Items of Business

1. Rental Fees Transparency and Fairness Legislation

Supporting Documents:

Draft Ordinance

Draft Summary and Fiscal Note

Presentation

Briefing and Discussion

Presenters: Kerem Levitas, Seattle Mayor's Office; Maureen Roat, Seattle Department of Construction and Inspections; Neale Mahoney, Professor of Economics, Stanford University; Ariel Nelson, Senior Attorney, National Consumer Law Center

2. **Homeowner Privacy and Protection Legislation**

Supporting Documents:
[Draft Ordinance]
[Draft Summary and Fiscal Note]
[Presentation]

Briefing and Discussion

Presenters: Mike Chin and Hajer Al-Faham, Office for Civil Rights; Jennifer LaBrecque and Traci Ratzliff, Council Central Staff

E. Adjournment

600 Fourth Ave. 2nd Floor
Seattle, WA 98104

Legislation Text

File #: Inf 2920, **Version:** 1

Rental Fees Transparency and Fairness Legislation

The City of Seattle

Ordinance ___________

Council Bill ___________

..title
An ordinance relating to rental agreement regulation; requiring disclosure of fees, prohibiting and limiting certain fees, requiring retention of compliance records, expanding investigation authority, and establishing new enforcement mechanisms; amending Section 7.24.020, 7.24.050, 7.24.060, 7.24.120, and 7.24.130 of, and adding new Sections 7.24.039, 7.24.040, 7.24.045, 7.24.170, 7.24.180, 7.24.190, 7.24.200, 7.24.210, 7.24.220, 7.24.230, and 7.24.240 to, the Seattle Municipal Code.

..body
Recitals:

Seattle faces an ongoing housing affordability crisis. Market analysis by CoStar and BERK found that, between 2012 and 2022, average monthly rents rose 32 percent, from $1,430 to $1,897, even after adjusting for inflation.[1]

[1] CoStar. *Market Analytics for the City of Seattle, 2023*. "One Seattle Comprehensive Plan Update Final Environmental Impact Statement." City of Seattle, 2025, Exhibit 3.8-19. https://www.seattle.gov/documents/Departments/OPCD/SeattlePlan/OneSeattlePlanFinalEIS2025.pdf

Rising costs are hurting Seattle residents. The City of Seattle's 2025 Comprehensive Plan found that 38,365 renter households in Seattle are cost burdened, spending 30-50 percent of their income on housing. Another 33,795 renter households are severely cost burdened, with housing costs taking up more than half of their income.[2]

Rental junk fees are a growing issue within the housing affordability crisis. These unavoidable and often hidden fees increase the cost of living in unexpected and unpredictable ways. A 2023 study by the National Consumer Law Center found that 89 percent of renters paid one or more fees on top of their rent.[3]

Rental junk fees are often not disclosed up front. A renter may not learn about all the rental fees attached to their housing until lease signing, after they have already spent weeks searching and paid nonrefundable application and move in fees. Tenants are left to choose between paying more than they expected or walking away and losing the time and money they invested.

Rental junk fees exacerbate existing disparities in the rental housing market. Zillow's Consumer Housing Trends Report 2025 found that renters of color (67 percent), particularly AAPI (74 percent) and Hispanic (66 percent) renters, were more likely

[2] "One Seattle Comprehensive Plan Update Final Environmental Impact Statement." City of Seattle, 2025, Exhibits 3.8-17 and 3.8-18. https://www.seattle.gov/documents/Departments/OPCD/SeattlePlan/OneSeattlePlanFinalEIS2025.pdf

[3] Nelson et al. "Too Damn High: How Junk Fees Add to Skyrocketing Rents." National Consumer Law Center, 2023, p. 10. https://www.nclc.org/wp-content/uploads/2023/03/JunkFees-Rpt.pdf

to report paying at least one fee compared to White renters (63 percent). Renters age 18-29 were also significantly more likely (82 percent) to report paying at least one fee compared to other age groups.[4]

Rental junk fees add up to a significant increase in housing costs. In a 2025 study, The Urban Institute found that rental fees added 10 to 30 percent to renters' total monthly payment.[5] Based on Zillow's June 2026 average monthly rent of $2,038 for Seattle, that percentage is $203 to $609 a month in extra fees.[6]

Increases in housing costs are directly tied to the homelessness crisis. A 2020 analysis by the US Government Accountability Office found that a $100 increase in median rent is associated with a nine percent increase in homelessness.[7]

Rental junk fees that become rental debt further contribute to housing and financial instability. Unpaid fees increase the risk of eviction and displacement. Negative

[4] Garcia, Manny. "Renters: Results from the Zillow Consumer Housing Trends Report 2025." Zillow, 2025. https://www.zillow.com/research/renters-housing-trends-report-2025-35647/

[5] Neumann, Zach and Katherine Fallon. "Rental Junk Fees Are Harming Renters." Urban Land Institute, 2025. https://archive-housingmatters.urban.org/articles/rental-junk-fees-are-harming-renters/

[6] "Seattle, WA rental market." Zillow. Accessed June 2026. https://www.zillow.com/rental-manager/market-trends/seattle-wa/

[7] "Homelessness: Better HUD Oversight of Data Collection Could Improve Estimates of Homeless Population." U.S. Government Accountability Office, 2020. https://www.gao.gov/products/gao-20-433

impacts on a renter’s credit score can jeopardize future housing opportunities, given that 90 percent [8, 9]

There is no market incentive to advertise the all-in price of a rental unit. Research by the Stanford Institute for Economic Policy Research documents individual businesses losing significant market share when switching to all-in pricing.[10] A landlord that advertises an all-in price appears more expensive than competitors with a lower base rent and unbundled fees.

Rental junk fees represent a market failure and collective action problem that will not self-correct. Regulation of these fees is necessary to level the playing field for landlords who are transparent about their costs and protect renters from unpredictable and predatory pricing models.[11]

Robust enforcement is necessary to achieve effective and even compliance in the rental housing market.

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[9] Nelson et al. “Too Damn High: How Junk Fees Add to Skyrocketing Rents.” National Consumer Law Center, 2023, p. 7. https://www.nclc.org/wp-content/uploads/2023/03/JunkFees-Rpt.pdf

[10] Mahoney, Neale. “Why Regulate Junk Fees?” Journal of Economic Perspectives, Volume 39, Number 4, Fall 2025, Pages 203–220. https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.20241409

[11] Mahoney, Neale. Comment submitted on the Federal Trade Commission Advance Notice of Proposed Rulemaking, Unfair or Deceptive Rental Housing Fee Practices, Project No. R207011, 2026.

Investigating violations of rental agreement regulations on a building or company wide basis will result in more efficient use of City resources, broader resolution for impacted tenants, and a stronger culture of compliance.

Comprehensive remedies for rental agreement violations encourage compliance and protect tenants from unfair and excessive fees, improper notices, unpredictable rent increases, lease violations, and retaliation. Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. Section 7.24.020 of the Seattle Municipal Code, last amended by Ordinance 126053, is amended as follows:

7.24.020 Definitions

As used in this Chapter 7.24:

<u>"Common areas" means areas on a property that are accessible by tenants of more than one unit of the property, including but not limited to: hallways, lobbies, common kitchens, fitness centers, rooftop open space, pet facilities, and recreation areas.</u>

* * *

"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 7.24.036.

<u>“Mail,” in addition to its common meaning, means any letter, postal card, package, bag, or other item that is addressed to a specific address for delivery by the United States postal service or any commercial carrier performing the function of delivering similar items to residences or businesses.</u>

"Mailbox," in addition to its common meaning, means any authorized depository or receptacle of mail for the United States postal service or authorized depository for a commercial carrier that provides services to the general public, including any address to which mail is or can be addressed, or a place where the United States postal service or equivalent commercial carrier delivers mail to its addressee.

* * *

"Unlawful harassment" has the meaning defined in RCW 59.18.570 as amended.

"Variable fee" means a monthly or other periodic fee, the amount of which may change each time it is assessed based on a predetermined set of conditions.

Section 2. A new Section 7.24.039 is added to the Seattle Municipal Code as follows:

7.24.039 Disclosure of fees required

Any rental agreement or renewal of a rental agreement entered into after July 1, 2027 is subject to the following requirements:

A. A landlord shall disclose in any advertisement, listing, or rental application of a dwelling unit, as well as conspicuously disclosed before the first page of the rental agreement on a form no longer than two pages:

1. The monthly rent of the dwelling unit;

2. The amounts of any discounts or concessions applied;

3. All utilities for which the tenant is responsible;

4. Any utilities included in the monthly rent;

5. The amounts of all mandatory and optional fees, including variable fees pursuant to subsection 7.24.039.E;

6. The total monthly cost to be paid by the tenant, or the average or estimated total monthly cost if any variable fees are included.

B. To meet the fee disclosure requirements of subsection 7.24.039.A in any online advertisement or listing of a dwelling unit, a landlord may either list the required fee disclosure in full text on the advertisement listing, or if infeasible due to listing or advertisement size constraints, unavoidable word limits, or similar impediments, use a hyperlink that links to another page with the required disclosure. If a hyperlink is used, the hyperlink must be obvious on the website, must be labeled to convey that it is a hyperlink and links to the fee disclosure, and must take the reader directly to the information on the next page.

C. Nothing in subsection 7.24.039.A shall be construed as holding a landlord liable for advertisements or listings that the landlord did not authorize, including but not limited to rental listing aggregator websites.

D. A landlord shall provide an updated disclosure form of the information required in subsection 7.24.039.A that is no longer than two pages every 12 months, unless the term of the lease agreement exceeds one year with acknowledgement, witness, or seal pursuant to RCW 59.18.210, as well as upon any change to any non-variable fee. This form shall be served upon the tenant in accordance with RCW 59.12.040.

E. For variable fees, a landlord shall disclose the average monthly amount over the previous 12 months. For newly constructed buildings or other circumstances where such information is unavailable, a landlord shall provide an estimate of variable fees and clearly indicate that the amount of variable fees is an estimate. A landlord shall also provide a monthly statement with the amount of each variable fee to the tenant delivered in a clear and conspicuous manner.

F. A landlord may not charge any fee for preparing or delivering a disclosure form or variable fee monthly statement pursuant to this Section 7.24.039.

G. The Director shall prepare a model rental fee disclosure form that complies with this Section 7.24.039. The Director shall place the form on the Department's website and provide links to translated versions of the notice in the five languages most commonly spoken in Seattle other than English, as determined on an annual basis using the most recent languages published by the Office of Immigrant and Refugee Affairs. The Director may provide links to translated versions in other languages at the Director's discretion. Landlords are not required to use the model form when disclosing fees to tenants. However, landlords are responsible for ensuring proper disclosure of fees in manner that complies with the requirements of this Section 7.24.039.

Section 3. A new Section 7.24.040 is added to the Seattle Municipal Code as follows:

7.24.040 Fees permitted and prohibited

Any rental agreement or renewal of a rental agreement entered into after July 1, 2027 is subject to the following requirements:

A. A landlord may not require a tenant to pay any mandatory or optional fee, except as provided in this Chapter 7.24 or Chapter 7.25, or chapter 59.18 RCW. Mandatory or optional fees other than those identified in this Chapter 7.24 or Chapter 7.25, or chapter 59.18 RCW, regardless of the name or description of the fee, constitute unfair or excessive fees, which are prohibited. Fees not disclosed pursuant to the requirements of Section 7.24.039 constitute unfair or excessive fees, which are prohibited.

B. A landlord may charge the following fees in addition to rent:

1. Late rent fees pursuant to Section 7.24.034;

2. Security deposits and nonrefundable move-in fees pursuant to Section 7.24.035;

3. Screening fees pursuant to subsection 7.24.035.B;

4. Pet damage deposits pursuant to Section 7.24.038;

5. Utility fees pursuant to Chapter 7.25;

6. A fee for replacement of a key necessary by fault of the tenant, not to exceed the lesser of the actual cost to the landlord or $50;

7. A fee to provide access to the building when a tenant is locked out by fault of the tenant, not to exceed $50 for access requested between 8 a.m. and 6 p.m. Monday through Friday, except that no fee may be charged when a landlord is at the property at the time of the lockout request, or $150 for access outside those hours;

8. A fee for payment returned to the landlord of insufficient funds, provided that the fee may not exceed the lesser of the actual costs to the landlord imposed by the financial institution or $31;

9. A fee to reimburse a landlord expense for repair of damages to the rental unit or rental property or replacement of fixtures in the rental unit, as allowable under RCW 59.18.180(1) and consistent with the documentation requirements under RCW 59.18.280;

10. A fee for a tenant's liability for default in rent or abandonment of the unit, as provided under RCW 59.18.310, provided that no additional lease break fee may be assessed; and

11. A fee for any optional good or service that is provided to the tenant, except as prohibited under subsection 7.24.040.C, and provided that:

a. The fee is clearly disclosed as optional pursuant to Section 7.24.039;

b. The tenant affirmatively opts in to receiving the good or service in writing;

c. When the tenant opts in to receiving the good or service, the landlord provides a written notice to the tenant describing the process by which the tenant may opt out of the fee;

d. The tenant may opt out of receiving the good or service at any time without penalty or cost; and

e. If the landlord contracts with a third party to provide the good or service, the fee may not exceed the actual cost to the landlord for providing the good or service to the tenant.

C. The following fees are unfair or excessive and may not be added as optional:

1. Any fee for the use of an in-unit appliance or other feature of a dwelling unit by a tenant, except for the rental of a portable cooling device as provided under Section 1 of Chapter 184, Laws of 2026;

2. Any fee for a tenant's access to common areas, except when the fee is associated with providing the tenant exclusive access to a common area facility on a temporary basis, such as the rental of a clubhouse for a private event;

3. Any fee to accept rent payments or other payments by personal check, money order, cashier's check, or automated clearing house (ACH);

4. Any fee for the tenant to receive or collect mail, for package collection and distribution, or to have access to the mailbox associated with their rental unit or dwelling;

5. Any fee for the performance of a landlord duty required under Section 22.206.160 or RCW 59.18.060;

6. Any fee for a partial change of tenancy when adding or removing a tenant to the rental agreement. This does not include screening fees pursuant to subsection 7.24.035.B;

7. Any fee associated with keeping a pet, except a pet damage deposit under Section 7.24.038, whether the fee is imposed once or periodically and regardless of how the fee is named or described;

8. Any fee for insurance provided by the landlord, unless:

a. The landlord meets the requirements of subsection 7.24.040.B.11;

b. The landlord provides the tenant with a copy of the policy prior to the tenant opting in, which must include a clear and conspicuous disclosure of whether the policy includes coverage for the tenant's personal property or loss of use;

c. The landlord notifies the tenant of any change to the policy within five days;

d. The provided insurance meets minimum requirements as determined by rules issued by the Director; and

9. Any other optional fee determined by the Department to be unfair or excessive and prohibited by Director's Rule pursuant to Section 7.24.120. The Department shall consider factors when determining whether a fee is unfair or excessive, including but not limited to:

a. The extent to which the optional good or service associated with the fee provides a meaningful and substantial benefit to tenants;

b. The extent to which the fee is commensurate with the cost to landlords of providing the optional good or service;

c. The extent to which the optional good or service exceeds the obligations and minimum standards set forth in Chapter 7.24, Chapter 7.25, and Chapter 22.206, and chapter 59.18 RCW;

d. The extent to which the fee is optional for tenants;

e. The extent to which the fee is substantively similar to fees that are prohibited by this Chapter 7.24 or by Director's Rule;

f. The extent to which the fee is substantively similar to rent;

g. The extent to which the fee may contribute to an eviction; and

h. The prevalence of the fee and optional good or service.

Section 4. A new Section 7.24.045 is added to the Seattle Municipal Code as follows:

7.24.045 Rental agreement records

A. Landlords shall retain records that document compliance with this Chapter 7.24 for each tenant, including, but not limited to: rental housing advertisements, listings, and application forms; offered and signed rental lease agreements and renewals; fee disclosure forms; variable fee statements; rent and fees charged; third party vendor receipts; and pursuant to rules issued by the Director, other records that are material and necessary to effectuate the terms of this Chapter 7.24. Such records shall be retained for a period of three years from the date they were issued.

B. If a landlord fails to retain adequate records required under subsection 7.24.045.A, there shall be a presumption, rebuttable by clear and convincing evidence, that the landlord violated this Chapter 7.24 for the periods and for each tenant for whom records were not retained.

Section 5. Section 7.24.050 of the Seattle Municipal Code, last amended by Ordinance 125222, is amended as follows:

7.24.050 Defense in commencing action—Fees and costs awarded

In any action commenced for unlawful detainer or to enforce a rental agreement, to impose penalties, or to forfeit a deposit contrary to rental agreement provisions required by subsections 7.24.030.A, 7.24.030.C, ((~~or~~)) 7.24.030.D, or Section 7.24.039, or pursuant to rental agreement provisions prohibited by subsection 7.24.030.B, ((~~and~~)) Section 7.24.035, or Section 7.24.040, it is a defense to such action that such provisions are contrary to the requirements for rental agreements imposed by this Chapter 7.24, and a tenant who prevails on such defense shall be awarded reasonable attorney fees and costs. If a landlord charges any fees contrary to the provisions of

Section 7.24.039 or 7.24.040, the amount of rent in an unlawful detainer action for failure to pay rent or vacate pursuant to Section 22.205.010 shall be reduced by the total amount of all prohibited fees charged.

Section 6. Section 7.24.060 of the Seattle Municipal Code, last amended by Ordinance 125334, is amended as follows:

7.24.060 Private right of action

A. Landlord liability to tenant

1. ((~~If~~)) Except as otherwise provided in this Section 7.25.060, if a landlord attempts to enforce provisions in a rental agreement that are contrary to, or if a landlord fails to meet their obligations under, the requirements of ((~~Sections 7.24.030, 7.24.035, 7.24.036, or 7.24.038~~)) this Chapter 7.24, the landlord shall be liable to the tenant in a civil action for: 1) any actual damages incurred by the tenant plus interest as a result of the landlord's ((~~attempted enforcement~~)) action; 2) ((~~double the amount of any penalties imposed by the City; 3)~~)) double the amount of any prohibited fee or security deposit unlawfully charged or withheld by the landlord; 3) for each violation found by the court, an amount equal to double the penalty for a violation under subsection 7.24.130.F; and 4) reasonable attorney fees and costs. Interest shall accrue from the date the prohibited fee was imposed at 12 percent per annum, or the maximum rate permitted under RCW 19.52.020.

2. A landlord who includes provisions prohibited by ((~~subsection 7.24.030.B, Section 7.24.035, Section 7.24.036, or Section 7.24.038~~)) this Chapter 7.24 in a new rental agreement, or in a renewal of an existing agreement, shall be liable to

the tenant in a civil action for up to ((~~$3,000~~)) $4,000 plus reasonable attorney fees and costs.

3. A landlord who engages in prohibited retaliation under Section 7.24.110 shall be liable to the tenant in a civil action for up to $6,000, any actual damages incurred by the tenant as a result of the landlord’s action, and reasonable attorney fees and costs.

4. In any action brought under this Chapter 7.24, one or more tenants may seek relief on behalf of themselves and other similarly situated aggrieved tenants whose claims arise from the same or substantially similar policy or practice alleged to violate this Chapter 7.24 by a common defendant.

B. Remedies for tenants if landlord fails to comply

1. If a landlord fails to comply with the requirements of subsections 7.24.080.A, 7.24.080.B, or 7.24.080.C and such failure was not caused by the tenant, the tenant may terminate the rental agreement by written notice pursuant to law without cost or penalty.

2. In addition to the remedy provided by subsection 7.24.060.B.1, if a landlord fails to comply with the requirements of Section 7.24.080, the tenant may recover in a civil action from the landlord actual damages, attorney fees, and a penalty of up to $500. If a court determines that the landlord deliberately failed to comply with the requirements of Section 7.24.080, the penalty may be up to $1,000.

D. Effective January 1, 2028, the amounts of all liabilities in this Section 7.24.060 shall be adjusted annually by the percentage amount of change in the housing component of the Consumer Price Index for All Urban Consumers (CPI-U) for the

Seattle-Tacoma-Bellevue Primary Metropolitan Statistical Area as published by the United States Department of Labor, Bureau of Labor Statistics, rounded up to the nearest whole number. The Department shall determine the amounts and file a schedule of such amounts with the City Clerk.

E. No tenant may secure relief from more than one governmental agency, instrumentality, or tribunal for the same harm or injury.

Section 7. Section 7.24.120 of the Seattle Municipal Code, last amended by Ordinance 125222, is amended as follows:

7.24.120 Administration and enforcement

A. The Director shall administer and enforce the provisions of this Chapter 7.24 and is authorized to adopt reasonable rules and regulations consistent with this Chapter 7.24 to carry out the Director's duties.

B. ((~~The~~)) Except as provided in subsection 7.24.120.C, the first and second violations of this Chapter 7.24 shall be enforced under the citation provisions set forth in Section 7.24.130. Subsequent violations may be enforced, at the Director's discretion, under the notice of violation provisions set forth in Section 7.24.140 or criminal provisions set forth in Section 7.24.150.

C. Nothing in this Section 7.24.120 shall prohibit the Director from initiating an investigation pursuant to Section 7.24.170 in lieu of pursuing enforcement under subsection 7.24.120.B.

D. In collaboration with the City Attorney’s Office, the Director may refer investigations initiated pursuant to Section 7.24.170 to the City Attorney’s Office for filing a civil action prior to issuance of an Order of Investigative Findings. The City Attorney may impose remedies consistent with Section 7.24.190.

E. Nothing contained in this Chapter 7.24 is intended to be nor shall be construed to create or form the basis for any liability on the part of the City, or its officers, employees, or agents, for any injury or damage resulting from or by reason of any act or omission in connection with the implementation or enforcement of this Chapter 7.24 on the part of the City by its officers, employees, or agents.

Section 8. Section 7.24.130 of the Seattle Municipal Code, last amended by Ordinance 127303, is amended as follows:

7.24.130 Citation

* * *

F. Citation penalties

1. The following penalties shall be assessed for each violation((~~s~~)) of any provision of this Chapter 7.24:

a. ((~~$500~~)) $750 for the first violation; ((~~and~~))

b. ((~~$1000~~)) $1,500 for each subsequent violation within a five-year period((~~.~~)) ; and

c. $5,000 for prohibited retaliation pursuant to Section 7.24.110.

2. Effective January 1, 2028, the amounts of all penalties contained in this Section 7.24.130 shall be adjusted annually by the percentage amount of change in the housing component of the Consumer Price Index for All Urban Consumers (CPI-U) for the Seattle-Tacoma-Bellevue Primary Metropolitan Statistical Area as published by the United States Department of Labor, Bureau of Labor Statistics, rounded up to the

nearest whole number. The Department shall determine the amounts and file a schedule of such amounts with the City Clerk.

((~~2~~))3. Violation warning. The Director may, in an exercise of discretion, issue a warning to the person responsible for the violation if that person has not been previously warned or cited for violating this Chapter 7.24.

((~~3~~))4. Collection of penalties. If the person cited fails to pay a penalty imposed pursuant to this Section 7.24.130, the penalty may be referred to a collection agency. The cost to the City for the collection services will be assessed as costs, at the rate agreed to between the City and the collection agency, and added to the penalty. Alternatively, the City may pursue collection in any other manner allowed by law.

Section 9. A new Section 7.24.170 is added to the Seattle Municipal Code as follows:

7.24.170 Investigation

A. The Department shall have the power to investigate violations of this Chapter 7.24 by any landlord. The Department may initiate an investigation pursuant to Director's Rules including, but not limited to, situations when the Director has reason to believe that a violation has occurred or will occur, or the tenant is unlikely to volunteer information regarding such violations. An investigation may also be initiated through the receipt by the Department of a report or complaint filed by a tenant or any other person.

1. The Director may request a landlord or witness to provide documents, records, files, or other sources of evidence to the Department. The Director may issue interrogatories to a landlord or witness. The landlord or witness shall respond to such interrogatories or provide such documents, records, files, or other materials to the

Department within the timelines and according to the procedures established by Director's rules.

2. The Director may initiate investigations, including individual, building-wide, and company-wide investigations, to determine the extent to which a landlord is complying with this Chapter 7.24.

B. A tenant or other person may report to the Department any suspected violation of this Chapter 7.24. The Department shall encourage reporting of alleged violations of this Chapter 7.24 by taking the following measures:

1. The Department shall keep confidential, to the maximum extent permitted by applicable laws, the name and other identifying information of the person reporting the violation. However, with the authorization of such person, the Department may disclose the person's name and identifying information as necessary to enforce this Chapter 7.24 or for other appropriate purposes.

2. The Department may require a landlord to post or otherwise notify its tenants that the Department is conducting an investigation, using a form provided by the Department. The Director may order the landlord to provide the form on an individual basis in the tenant's primary language in a physical or electronic format that is reasonably conspicuous and accessible.

C. The Department's investigation shall commence within three years of the alleged violation. To the extent permitted by law, the applicable statute of limitations for civil actions is tolled during any investigation under this Chapter 7.24 and any administrative enforcement proceeding under this Chapter 7.24 based upon the same facts. For purposes of this Chapter 7.24:

1. The Department's investigation begins on the earlier date of when the Department receives a complaint from a person under this Chapter 7.24, or the Department opens an investigation under this Chapter 7.24.

2. The Department's investigation ends when the Department issues a final order concluding the matter and any appeals have been exhausted; the time to file any appeal has expired; or the Department notifies the landlord in writing that the investigation has been otherwise resolved.

D. The Department's investigation shall be conducted in an objective and impartial manner.

E. The Director may apply by affidavit or declaration in the form allowed under chapter 5.50 RCW to the Hearing Examiner for the issuance of subpoenas requiring a landlord to produce the documents and records required by subsection 7.24.045.A, or for the attendance and testimony of witnesses, or any other document relevant to the issue of whether a landlord has violated any provision of this Chapter 7.24. The Hearing Examiner shall conduct the review without hearing as soon as practicable and shall issue subpoenas upon a showing that there is reason to believe that: a violation has occurred, a tenant is unlikely to volunteer information regarding such violations, or the Department has gathered preliminary information indicating that a violation may have occurred.

F. A landlord that fails to comply with the terms of any subpoena issued under subsection 7.24.170.E in an investigation by the Department under this Chapter 7.24 prior to the issuance of an Order of Investigative Findings issued pursuant to subsection 7.24.180.C may not use such records in any appeal to challenge the correctness of any determination by the Department of liability, remedies due to the tenant, or penalties assessed.

G. In addition to other remedies, the Director may refer any subpoena issued under subsection 7.24.170.E to the City Attorney to seek a court order to enforce any subpoena.

H. Where the Director has reason to believe that a violation has occurred, the Director may order any appropriate temporary or interim relief to mitigate the violation or maintain the status quo pending completion of a full investigation or hearing, including but not limited to a deposit of funds or bond sufficient to satisfy a good-faith estimate of reimbursement of civil penalties and remedies due to the tenant. A landlord may appeal any such order in accordance with Section 7.24.200.

I. Pending completion of a full investigation, the Director may refer the investigatory file to the City Attorney's Office pursuant to subsection 7.24.120.D.

J. To avoid duplication of efforts or otherwise conserve Department resources, the Director may suspend or close a case for any reason consistent with this Chapter 7.24, including when the case is being actively pursued in another forum or a tenant or other person has withdrawn a report or complaint.

Section 10. A new Section 7.24.180 is added to the Seattle Municipal Code as follows:

7.24.180 Findings of fact and determination

A. Except when there is an agreed upon settlement or the investigatory file is referred to the City Attorney's Office, the Director shall issue a written determination with findings of fact resulting from an investigation pursuant to Section 7.24.170 and statement of whether a violation of this Chapter 7.24 has or has not occurred based on a preponderance of the evidence before the Director.

B. If the Director determines that there is no violation of this Chapter 7.24, the Director shall issue a "Determination of No Violation" with notice of a tenant or other person's right to appeal the decision, pursuant to subsection 7.24.200.A.

C. If the Director determines that a violation of this Chapter 7.24 has occurred, the Director shall issue an "Order of Investigative Findings" identifying the violation or violations.

1. The Order of Investigative Findings shall state with specificity the amounts due under this Chapter 7.24 for each violation, including payment of civil penalties and remedies due to the tenant pursuant to Section 7.24.190.

2. The Order of Investigative Findings may specify that civil penalties can be mitigated for landlord's timely payment of remedy due to a tenant pursuant to subsection 7.24.190.A.2.

3. The Order of Investigative Findings may direct the landlord to take such corrective action as is necessary to comply with the requirements of this Chapter 7.24, including, but not limited to, monitored compliance for a reasonable time period.

4. The Order of Investigative Findings shall include notice of the landlord's right to appeal the decision, pursuant to Section 7.24.200.

D. The Determination of No Violation or Order of Investigative Findings may be served by first class mail, addressed to the last known address of such person(s) to be notified. Service shall be deemed complete three days after the date of mailing.

Section 11. A new Section 7.24.190 is added to the Seattle Municipal Code as follows:

7.24.190 Remedies

A. The payment of civil penalties and remedies due to the tenant under this Chapter 7.24 is cumulative and is not intended to be exclusive of any other available remedies, penalties, and procedures. A landlord is liable for each violation or failure to comply with any provision of this Chapter 7.24, for which separate and cumulative penalties may be assessed.

1. Effective January 1, 2028, the amounts of all civil penalties contained in this Section 7.24.190 shall be adjusted annually by the percentage amount of change in the housing component of the Consumer Price Index for All Urban Consumers (CPI-U) for the Seattle-Tacoma-Bellevue Primary Metropolitan Statistical Area as published by the United States Department of Labor, Bureau of Labor Statistics, rounded up to the nearest whole number. The Department shall determine the amounts and file a schedule of such amounts with the City Clerk.

2. If there is a remedy due to a tenant, the Director may waive a portion of the amount of civil penalties due to the Department based on timely payment of the full remedy due to the tenant, as provided in this subsection 7.24.190.A.

a. The Director may waive 75 percent of the total amount of civil penalties to the Department if the Director determines that the landlord paid the full remedy due to the tenant within ten days of service of the Order of Investigative Findings.

b. The Director may waive 50 percent of the total amount of civil penalties due to the Department if the Director determines that the landlord paid the full remedy due to the tenant within 15 days of service of the Order of Investigative Findings.

c. The Director shall not waive any amount of civil penalties due to the Department if the Director determines that the landlord has not paid the full remedy due to the tenant after 15 days of service of the Order of Investigative Findings.

B. A landlord found to be in violation of Section 7.24.040 shall be liable to the tenant for: 1) full reimbursement of all prohibited fees charged plus interest, and 2) double the amount of the prohibited fees charged. Interest shall accrue from the date the prohibited fee was charged at 12 percent per annum, or the maximum rate permitted under RCW 19.52.020.

1. If the precise amount of prohibited fees cannot be determined due to a landlord's failure to produce records, or if a landlord produces records in a manner or form which makes timely determination of the amount of prohibited fees impracticable, the Director may determine the value of prohibited fees as a matter of just and reasonable inference, including the use of representative evidence such as testimony or other evidence from representative tenants establishing violations for a class of tenants.

C. Except as provided in subsections 7.24.190.D and 7.24.190.E, The Director is authorized to assess the following civil penalties for a violation of this Chapter 7.24.

1. For a first violation of this Chapter 7.24, the Director may assess a civil penalty of $750 per violation.

2. For any subsequent violation of this Chapter 7.24, the Director shall assess a penalty of $1,500 per violation.

3. For purposes of this Section 7.24.190, a violation is a subsequent violation if the landlord has been a party to more than one of any of the following, or any combination of the following, within a five-year period:

a. A settlement agreement stipulating that a violation has occurred;

b. An Order of Investigative Findings issued against the landlord;

c. A Court Order obtained by the City Attorney's Office pursuant to subsection 7.24.120.D; or

d. A citation under Section 7.24.130.

D. A landlord found to be in violation of this Chapter 7.24 for retaliation under Section 7.24.110 shall be subject to a civil penalty of $5,000.

E. A landlord who willfully hinders, prevents, impedes, or interferes with the Director or Hearing Examiner in the performance of their duties under this Chapter 7.24 shall be subject to a civil penalty of $5,000.

F. When determining the amount of civil penalties and remedies, under this Section 7.24.190 for a settlement agreement, the Director may consider the following factors provided in this subsection. Except in exceptional circumstances, the Director shall endeavor to ensure that such settlement is for no less than the remedies due to the tenant pursuant to 7.24.190.B:

1. The total amount of civil penalties and remedies due to the tenant;

2. The nature and persistence of the violations;

3. The extent of the landlord's culpability;

4. The substantive or technical nature of the violations;

5. The business resources of the landlord;

6. The circumstances of each situation;

7. The amount of penalties in similar situations; and

8. Pursuant to rules that the Director may issue, other factors that are material and necessary to effectuate the terms of this Chapter 7.24.

G. In addition to the civil penalties and remedies due to the tenant, the Department may assess against the landlord in favor of the City the reasonable costs incurred in enforcing this Chapter 7.24, including but not limited to reasonable attorney's fees.

Section 12. A new Section 7.24.200 is added to the Seattle Municipal Code as follows:

7.24.200 Appeal period and failure to respond

A. A tenant or other person who claims an injury as a result of an alleged violation of this Chapter 7.24 may appeal the Determination of No Violation by filing a written statement of appeal with the Hearing Examiner within 15 days of being served with the Department's decision. If a tenant fails to appeal the Order of Investigative Findings within 15 days of service, the Determination of No Violation shall be final. If the last day of the appeal period so computed is a Saturday, Sunday, or federal or City holiday, the appeal period shall run until 5 p.m. on the next business day.

1. In considering an appeal of a Determination of No Violation, the only issue before the Hearing Examiner is whether the Director's Determination of No Violation is supported by a preponderance of the evidence.

2. The statement of appeal shall state specifically the grounds for appeal and how the Director's determination was not supported by a preponderance of the evidence. The appeal statement shall fully describe any evidence that the appellant thinks the Department should have considered.

3. For investigations into multiple allegations that result in a combination Determination of Violation and No Violation, complainants may solely appeal the Determination of No Violation portion of the investigation before the Hearing Examiner.

B. A landlord may appeal the Order of Investigative Findings, including all remedies issued pursuant to Section 7.24.190, by requesting a contested hearing before the Hearing Examiner in writing within 15 days of service of the Order of Investigative Findings. If a landlord fails to appeal the Order of Investigative Findings within 15 days of service, the Order of Investigative Findings shall be final. If the last day of the appeal period so computed is a Saturday, Sunday, or federal or City holiday, the appeal period shall run until 5 p.m. on the next business day.

Section 13. A new Section 7.24.210 is added to the Seattle Municipal Code as follows:

7.24.210 Appeal procedure and failure to appear

A. Contested hearings requested per Section 7.24.200.B shall be conducted pursuant to the procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for hearing contested cases. The hearing shall be conducted de novo and the Director shall have the burden of proving by a preponderance of the evidence that the violation or violations occurred. Upon establishing such proof, the remedies and penalties imposed by the Director shall be upheld unless it is shown that the Director abused discretion. Failure to appear for a contested hearing shall result in an order being entered finding that the landlord committed the violation stated in the Order of Investigative Findings. For good cause shown and upon terms the Hearing Examiner deems just, the Hearing Examiner may set aside an order entered upon a failure to appear.

B. In all contested cases, the Hearing Examiner shall enter an order affirming, modifying or reversing the Order of Investigative Findings.

Section 14. A new Section 7.24.220 is added to the Seattle Municipal Code as follows:

7.24.220 Appeal from Hearing Examiner order

A. The landlord may obtain judicial review of the decision of the Hearing Examiner by applying for a Writ of Review in the King County Superior Court within 30 days from the date of the decision in accordance with the procedure set forth in chapter 7.16 RCW as amended, other applicable law, and court rules.

B. The decision of the Hearing Examiner shall be final and conclusive unless review is sought in compliance with this Section 7.24.220.

Section 15. A new Section 7.24.230 is added to the Seattle Municipal Code as follows:

7.24.230 Failure to comply with final order

A. If a landlord fails to comply within 30 days of service of any settlement agreement with the Department, or with any final order issued by the Director or the Hearing Examiner for which all appeal rights have been exhausted, the Department may pursue, but is not limited to, the following measures to secure compliance:

1. The Director may require the landlord to post or distribute public notice of the landlord's failure to comply in a form and manner determined by the Department.

2. The Director may refer the matter to a collection agency. The cost to the City for the collection services will be assessed as costs, at the rate agreed to between the City and the collection agency, and added to the amounts due.

3. The Director may refer the matter to the City Attorney for the filing of a civil action in a court of competent jurisdiction to enforce such order or to collect amounts due. In the alternative, the Director may seek to enforce a settlement agreement, an Order of Investigative Findings, or a final order of the Hearing Examiner under Section 7.24.240.

Section 16. A new Section 7.24.240 is added to the Seattle Municipal Code as follows:

7.24.240 Debt owed The City of Seattle

A. All monetary amounts due under a settlement agreement, Order of Investigative Findings, or Court Order obtained by the City Attorney's Office pursuant to subsection 7.24.120.D shall be a debt owed to the City and may be collected in the same manner as any other debt in like amount, which remedy shall be in addition to all other existing remedies; provided that amounts collected by the City for remedies due to the tenant shall be held in trust by the City for the tenant and, once collected by the City, shall be paid by the City to the tenant.

B. If a landlord fails to appeal an Order of Investigative Findings to the Hearing Examiner within the time period set forth in subsection 7.24.200.B, the Director's Order shall be final, and the Director may petition the Seattle Municipal Court to enforce the

Order of Investigative Findings by entering judgment in favor of the City finding that the landlord has failed to exhaust its administrative remedies and that all amounts and relief contained in the order are due. The Order of Investigative Findings shall constitute prima facie evidence that a violation occurred and shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under RCW 5.50.050 containing evidence that the landlord has failed to comply with the order or any parts thereof, and is therefore in default, or that the landlord has failed to appeal the Order of Investigative Findings to the Hearing Examiner within the time period set forth in subsection 7.24.200.B and therefore has failed to exhaust the landlord's administrative remedies, shall also be admissible without further evidentiary foundation.

C. If a landlord fails to obtain judicial review of an order of the Hearing Examiner pursuant to subsection 7.24.220.A, the order of the Hearing Examiner shall be final, and the Director may petition the Seattle Municipal Court to enforce the Order of Investigative Findings by entering judgment in favor of the City for all amounts and relief due under the order of the Hearing Examiner. The order of the Hearing Examiner shall constitute conclusive evidence that the violations contained therein occurred and shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under chapter 5.50 RCW containing evidence that the landlord has failed to comply with the order or any parts thereof, and is therefore in default, or that the landlord has failed to avail itself of judicial review in accordance with subsection 7.24.220.A, shall also be admissible without further evidentiary foundation.

D. In considering matters brought under subsections 7.24.240.B and 7.24.240.C, the Seattle Municipal Court may include within its judgment all terms, conditions, and remedies contained in the Order of Investigative Findings or the order of the Hearing Examiner, whichever is applicable, that are consistent with the provisions of this Chapter 7.24.

Section 17. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance or the validity of its application to other persons or circumstances.

Section 18. Sections 1 through 17 of this ordinance shall take effect on July 1, 2027.

This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council and signed in open session in authentication of its passage on ____________________.

____

President __________ of the City Council

____________________ on ____________________.

____

Katie B. Wilson, Mayor

Attested on ____________________.

____

Scheereen Dedman, City Clerk

Seal

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Summary and Fiscal Note

1. Legislation Summary

Department: Mayor's Office/Seattle Department of Construction and Inspections

Title: An ordinance relating to rental agreement regulation; requiring disclosure of fees, prohibiting and limiting certain fees, requiring retention of compliance records, expanding investigation authority, and establishing new enforcement mechanisms; amending Section 7.24.020, 7.24.050, 7.24.060, 7.24.120, and 7.24.130 of, and adding new Sections 7.24.039, 7.24.040, 7.24.045, 7.24.170, 7.24.180, 7.24.190, 7.24.200, 7.24.210, 7.24.220, 7.24.230, and 7.24.240 to, the Seattle Municipal Code.

Background: This legislation creates a new regulatory framework for rental housing fees effective July 1, 2027. These fees are a growing issue in Seattle's housing affordability crisis. The legislation will strengthen tenant protections, reduce hidden housing costs, and promote a fair and transparent rental market, while also supporting small landlords with timely, consistent compliance guidance.

The legislation distinguishes between "mandatory fees" which are imposed on all units rented by a particular landlord and "optional fees" which are fees that renters may choose to pay or not to pay in exchange for a good or service. The legislation requires all mandatory and optional fees to be conspicuously disclosed in any advertisement or listing of a residential rental unit as well as at lease signing; updated annual disclosures are also required. The legislation prohibits any mandatory fee that is not explicitly authorized under Seattle Municipal Code. Authorized fees that a landlord may impose mandatorily include application screening fees, security deposit and nonrefundable move-in fees, pet damage deposit fees, late rent fees, utility fees, key replacement fees, lockout fees, insufficient funds fees, fees to reimburse qualified and documented landlord expenses, and fees for tenant's liability for default in rent or abandonment of the unit. Dollar limits are imposed on certain mandatory fees.

The legislation requires that any optional fee for a good or service be conspicuously disclosed as optional, that tenants must affirmatively opt in to any optional fee and be allowed to opt out at any time without penalty, and prohibits landlords from charging more than the actual cost incurred for services provided by a third party. Specific optional fees are prohibited as unfair and excessive, including fees for access to common areas, fees for accepting certain methods of rent payments, fees for mail and package collection, fees for changes of tenancy, and pet fees beyond damage deposits.

The legislation increases citation penalties, provides for future adjustments based on CPI-U, and establishes a new penalty for prohibited retaliation. It establishes a defense to eviction for failing to pay a prohibited fee.

The legislation expands tenants' existing private right of action to include landlord action to enforce prohibited fees, establishes a new private right of action for prohibited retaliation, and increases landlords' liability to tenants in private rights of action. It provides that tenants of a similar class to pursue a joint action against a landlord.

The legislation establishes authority for the Seattle Department of Construction and Inspections to investigate rental agreement regulation violations, including building- and company-wide investigations. It requires landlords to retain records documenting their compliance with the City of Seattle's rental agreement regulations and authorizes the department to subpoena such records as part of an investigation.

The legislation establishes the process by which the department shall deliver findings and determine if an Order of Investigative Findings requiring remedies is warranted. It establishes remedies available to the department under an Order of Investigative Findings, including civil penalties and remedies owed to the tenant. It authorizes the department to enter into settlement agreements, and to waive penalties for a landlord's timely payment of remedies owed to the tenant. It establishes a process for landlords and tenants to appeal decisions and remedies to the Hearing Examiner.

Summary Attachments: N/A

2. Capital Improvement Program (CIP)

Does this legislation create, fund, or amend a CIP Project?

☐ Yes

☒ No

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3. Summary of Financial Implications

Does this legislation have financial impacts to the City?

☒ Yes

This legislation does not change appropriations or positions; however, it does anticipate future budget changes as identified below.

☐ No

a. Expenditure Change to General Fund

2026	2027 est.	2028 est.	2029 est.	2030 est.
$0	$0	$0	$0	$0

b. Expenditure Change to Other Funds

2026	2027 est.*	2028 est.*	2029 est.*	2030 est.*
$0	$915,203	$795,697	$795,697	$795,697

* CPI is unknown at this time. Estimated costs do not include SDCI department administrative and overhead costs.

c. Revenue Change to General Fund

2026	2027 est.	2028 est.	2029 est.	2030 est.
$0	$0	$0	$0	$0

d. Revenue Change to Other Funds

2026	2027 est.	2028 est.	2029 est.	2030 est.
$0	$1,361,800	$791,200	$1,435,200	$873,600

e. Number of Positions

2026	2027 est.	2028 est.	2029 est.	2030 est.
0	3	3	3	3

f. Total Full-Time Employee (FTE) Change

2026	2027 est.	2028 est.	2029 est.	2030 est.
0	3.0	3.0	3.0	3.0

3a. Appropriations

This legislation adds, changes, or deletes appropriations.

Fund Name and Number	Dept.	Budget Control Level (BCL) Name/Number	2026 Appropriation Change	2027 Estimated Appropriation Change
48100 Construction and Inspections Fund	SDCI	BO-CI-U2400	$0	$915,203

This legislation does not change appropriations. Modifications to appropriations will be included in the 2027 Proposed Budget and future budget actions. The amount above shows the anticipated needed budgetary increase but does not include costs that are anticipated to be absorbed within SDCI's base budget. Total 2027 costs are estimated at $1.03 million, excluding administrative and overhead costs.

3b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from This Legislation:

Fund Name and Number	Dept.	Revenue Source	2026 Revenue	2027 Estimated Revenue
48100 Construction and Inspections Fund	SDCI	Rental Regulatory Fee	$0	$1,361,800

Revenue/Reimbursement Notes:

The revenue above is anticipated to be generated from a new per-rental-unit fee effective January 1, 2027. The fee will be included in SDCI's annual fee bill which will be submitted to Council as 2027 budget legislation. The amount above assumes that fees will be collected in tandem with Rental Registration and Inspection Ordinance payments which are collected every 2 years. The estimated revenue amount above is based on an estimated 2027 fee of $11 per rental unit, excluding short-term rentals.

3c. Positions

This legislation adds, changes, or deletes positions.

Total Regular Positions Created, Modified, or Abrogated through This Legislation, Including FTE Impact:

This legislation does not change positions; however, this legislation anticipates that the following new positions will be included in SDCI's 2027 Proposed Budget:

Position Number for Existing Positions	Individual Position Title & Department	Fund Name & Number	Program & BCL	Part-Time (PT) or Full-Time (FT)	2026 Positions	2026 FTE	Does it sunset?
	Plng&Dev Spec,Sr (SDCI)	48100 Construction and Inspections Fund	PO-CI-U24B1	FT			No
	Code Compliance Anlyst (SDCI)	48100 Construction and Inspections Fund	PO-CI-U24B1	FT			No
	Code Compliance Anlyst (SDCI)	48100 Construction and Inspections Fund	PO-CI-U24B1	FT			No

If there is one or more sunsetting position or other notes, please explain: N/A

3d. Other Financial Impacts

a. Does this legislation create any other financial impacts for The City of Seattle, such as direct or indirect costs, one-time or ongoing, that aren't mentioned above? If yes, please explain these impacts.

This legislation anticipates adoption of a new rental regulatory fee during the 2027-2028 budget process. The fee will be assessed on a per unit basis, billed using the Rental Registration and Inspection Ordinance (RRIO) accounting infrastructure. The revenue will support implementation and enforcement of newly adopted City regulations governing rental fees, including 3.0 FTEs to support increased case intake, investigations, and landlord assistance related to rental fee regulation, as well as outreach and education services. The fee will be set to align with ongoing program costs.

b. If the legislation has costs that can be covered within the current budget, explain how. Does the department have extra resources in its budget to handle these costs? Or does the department need to shift resources away from other work to handle these costs?

SDCI and CBO have identified $60,000 in 2026 General Fund underspend that will be reallocated to support the upfront IT system modification costs necessary to implement and collect the new regulatory fee.

c. What financial costs or other impacts might happen if this legislation is not implemented?

None.

d. How might this legislation affect other City departments besides the one that proposed it?

The new authority for SDCI to conduct investigations and enforcement through Order of Investigative Findings is expected to result in additional work for the Hearing Examiner. The Hearing Examiner will be responsible for reviewing SDCI subpoena applications and hearing appeals of SDCI's Order of Investigative Findings from landlords and tenants. The Hearing Examiner anticipates that this work can be managed using existing resources and will not have a budget impact.

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4. Other Impacts

a. Does this legislation require a public hearing?

☐ Yes

☒ No

b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?

☐ Yes

☒ No

c. Does this legislation affect a piece of property?

This legislation does not affect a specific individual property, but will impact any residential property offered as long-term rental housing.

d. Race and Social Justice Initiative impacts:

1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion? Please consider both impacts within City government (like employees and internal programs) and in the broader community.

Renters are disproportionately likely to be from vulnerable or historically disadvantaged communities. Using data from the American Community Survey, the City's 2025 Comprehensive Plan Update found that 51% of White households are renters, compared to 56% of AAPI households, 66% of Native American households, 71% of Hispanic or Latino households, and 78% of Black households. Renters also tend to be lower income; the median income of owner households ($151,430) is more than twice the median income of renter households ($74,580).

Rental housing fees further exacerbate these disparities. Zillow's Consumer Housing Trends Report 2025 found that renters of color (67%), particularly AAPI (74%) and Hispanic (66%) renters, were more likely to report paying at least one fee compared to White renters (63%). Renters age 18-29 were also significantly more likely (82%) to report paying at least one fee compared to other age groups.

Rental housing fees can add up to a significant increase in housing costs. In a 2025 study, The Urban Institute found that rental fees added 10 to 30 percent to renters' total monthly payment. Based on Zillow's June 2026 average monthly rent of $2,038 for Seattle, that percentage is $203 to $609 a month in extra fees.

Regulating rental housing fees will help reduce the disproportionate financial burden that vulnerable and historically disadvantaged communities experience.

2. Please attach any Racial Equity Toolkits or other racial equity analyses used to develop or assess this legislation.

None.

3. What is the Language Access Plan for communicating with the public about this legislation?

$100,000 in onetime funding from the new rental regulatory fee will support updated translated materials and in-language outreach, consistent with SDCI's Language Access Plan. This will include:

- Renter's Handbook Update translation, Renter's Handbook printing, Required Notice & other translation
- Ethnic and weekly media advertising
- Bus advertising
- Renting in Seattle Website refresh

The fee is also expected to provide $65,000 annually for ongoing rental housing outreach and education efforts.

e. Climate change impacts:

1. Emissions: Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer.

This legislation is not expected to impact carbon emissions.

2. Resiliency: Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact.

This legislation is not expected to impact climate change resiliency.

f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress?

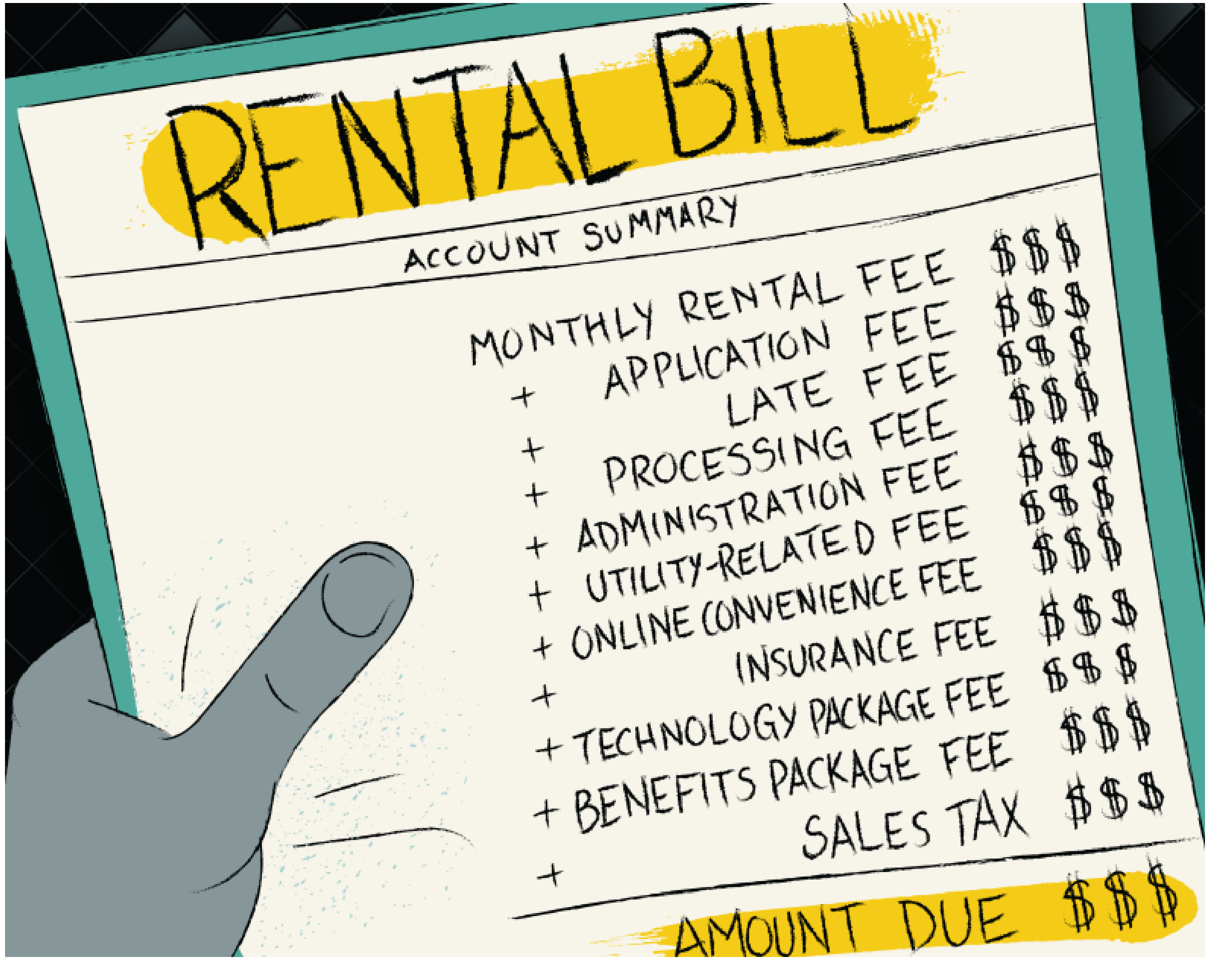
N/A

g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization?

No.

Rental Fees Transparency & Fairness: Legislation Overview

Rental Fees Background



- Almost half of Seattle renters pay 30%+ of income on rent (cost burdened)
- 58% of renters pay fees in addition to rent
- Prevent renters from comparing housing, making informed rental choices, and financial plans
- Impacts transparent and competitive rental market

Image Credit: Signal Cleveland

Presenters

- Ariel Nelson, National Consumer Law Center
- Prof. Neale Mahoney, Stanford University
- Kerem Levitas, Mayor’s Office
- Maureen Roat, Seattle Dept. of Construction & Inspections

Presentation Scope

Rental Fees Background, Prevalence, and Impacts

Rental Fees Economic and Market Impacts

Rental Fees Legislation Overview

- Engagement
- Legislation Overview
- Implementation & Enforcement

Introduction to Rental Housing Junk Fees

Ariel Nelson
Senior Attorney
National Consumer Law Center
July 8, 2026

Examples of Junk Fees

- **At or before moving in (**e.g., application fee (people and pets), admin/processing fee, deposit or one-time fee for security deposit "alternative," move-in fee, holding fee)
- **Throughout the duration of the lease**
  - *Monthly fees* (e.g., pet rent/pet fee, admin fee, insurance fee, pest control fee, valet trash fee, maintenance fee)
  - *Payment-related fees* (e.g. fee to use rental software/billing platform to pay rent, fee to pay by check)
  - *Utility-related fees* (e.g., utility management and billing fee; internet, cable, or tech package fee; RUBS fees; pay-to pay fee for utility bills)
- **Occasional** (e.g., late fee, court costs/legal fee, move-out fee, notice fee)

Problems with Rental Housing Junk Fees

Along with **unaffordability**, problems with rental housing junk fees include:

- Failure to disclose fees up front
- Failure to accurately and adequately explain nature and purpose of fees
- Payment of fees for services not ultimately provided
- Payment of fees for services landlord is legally obligated to provide
- Payment of fees prohibited by state or local law
- Payment of fees greater than cost to landlord
- Racial and other disparities

Rental Housing Junk Fees Jeopardize Access to Future Housing and Financial Stability

- Fees may become alleged rental debt
- Landlord may use third-party debt collector to collect
- Rental debt ends up on credit report and becomes barrier to future housing

Some Landlords Use Junk Fees as a Profit Center

- Publications aimed at landlords recommend “ancillary income programs”
  - One company’s “most notable ancillary income generator” is their “smart-home technology package,” which costs tenants $25 per month in addition to base rent, for “smart locks, thermostats, Alexa integration, and water sensors”
- “Sometimes, rolling these added services into a single fee or line item can help easy adoption. It can also provide operators with some much-needed wiggle room when determining which ancillary services to add and how much to charge.”

Some Landlords Use Junk Fees as a Profit Center Cont.

- **FTC Invitation Homes Enforcement Action.** Invitation Homes charged consumers over $60 million in "Lease Easy bundle" fees, which included a utility management fee, an "air filter delivery" fee, and "smart home technology" (or "smart home" fee).
  - In 2019, the CEO called on SVP to "juice this hog" by making smart home fee mandatory. Company slide deck instructed employees to only disclose fee "when critical."
- **FTC/Colorado Greystar Enforcement Action.** Greystar executives touted ability "to obtain ancillary income for property owners through the mandatory imposition of these services and their associated fees." Greystar collected over $100 million in hidden fees from tenants in 4 states.

Some Resources

- **NCLC Materials**
  - Too Damn High: How Junk Fees Add to Skyrocketing Rents
  - “What the Heck, Dude!”: How States Can Fight Rental Housing Junk Fees
  - 2026 Comments to the FTC re: Rental Housing Junk Fees
- **News Articles & More**
  - The Guardian, ‘Extremely overwhelmed’: apartment renters face rising tide of fees (June 24, 2026)
  - Business Insider, Tenants are being charged eviction fees even if they don't get evicted (May 4, 2025)
  - Business Insider, 'Juice this hog': How real estate companies supersized renter fees (May 3, 2025)
  - Oregon Public Broadcasting, Washington state renters say ‘junk fees’ being used to retaliate, discriminate
  - Zillow, Renters: results from the Zillow Consumer Housing Trends Report 2025

The economics of rental fee regulation

Neale Mahoney
Trione Director of the Stanford Institute of Economic Policy Research (SIEPR)
TG Wijaya Professor of Economics, Stanford University

The price you see should be the price you pay

This is the **north star** for well-functioning markets. When renters can see the full monthly cost up front, three things follow:

1. **Easy to comparison shop.** Renters can easily and quickly sort apartments by their true cost.
2. **More competition.** Landlords compete on the number renters actually see.
3. **Fewer renters get in over their heads.** Fewer surprise costs, fewer people in over their heads, fewer defaults.

These are not small things. Lower search costs are what **drive** the competition that lowers prices and allows markets to function.

How firms throw sand in the gears

Hidden fees are not isolated to housing. They show up in the form of hotel resort fees, ticket fees, restaurant surcharges, cable "broadcast" fees, and so on.

Two troublesome pricing practices

- **Mandatory back-end fees** — unavoidable fees not shown in the headline price (e.g., hotel resort fees, concert service fees).
- **Hidden contingent or add-on fees** — disclosed when the buyer is already locked in and market forces are limited (e.g., bank overdraft fees or airline family seating fees)

Note: Many add-on fees are fine — nothing wrong with paying more for mushrooms on your pizza or a hotel room with an ocean view. The key point is that these fees are transparent and reasonable.

Principles for fee regulation

1. **Recurring mandatory fees** → bundled all-in, upfront in advertised price. The price you see is the price you pay.
2. **Contingent fees** → disclosed and capped up front. No surprise, no gouging.
3. **Genuinely optional services** → truly optional with opt-in and easy opt-out.

Won’t this just raise rents?

No — and total costs may fall.

Yes, the advertised price may go up. **Transparency is the point** — the cost becomes visible and part of what renters compare on.

But making prices **visible and salient** intensifies competition, which pushes total costs **down**.

When the 2009 CARD Act capped non-salient credit card fees, fee revenue fell with **no offsetting rise** in interest rates or other fees.

Who benefits

Everyone with a stake in a functioning market

- **Transparent pricing landlords** — those already showing an all-in price, who today lose renters to competitors hiding fees.
- **All landlords** — fewer renters signing leases they can’t afford means fewer defaults.
- **Renters** — lower search costs, no sticker shock at signing, and lower prices through greater competition.
- **The market** — landlords win tenants with better apartments at better prices, not better-hidden fees.

Two FAQs

Why can't the market fix this on its own?

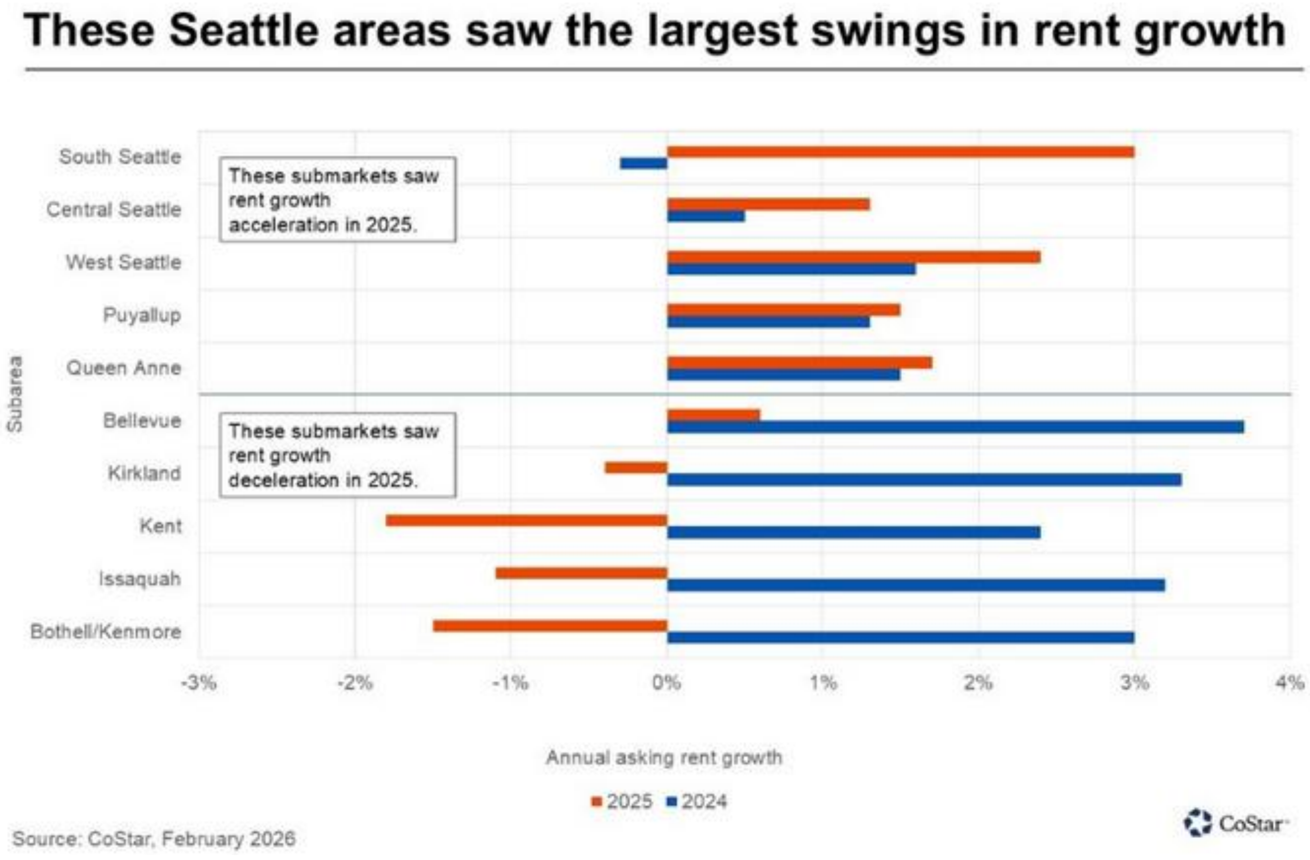
It's a **collective-action problem**. The one landlord who prices transparently looks more expensive and loses renters — so no one moves first. (StubHub tried all-in pricing, lost share, and reverted in 2015.)

Isn't disclosure enough?

It helps, but it isn't sufficient. Nobody reads pages of fine print. Disclosure at signing occurs too late to change decisions. **Transparency is necessary but not sufficient.**

Seattle Rental Market

- More than half of Seattle residents are renters
- Regionally, 48% are cost burdened
- Rents rose 32% ($1,430 to $1,897) from 2012-2022
- 2025: Rent growth acceleration in many Seattle markets
- Fees can add 10-30% of renter's monthly costs



Engagement

Renter Survey

- 8,800 responses

Listening Sessions

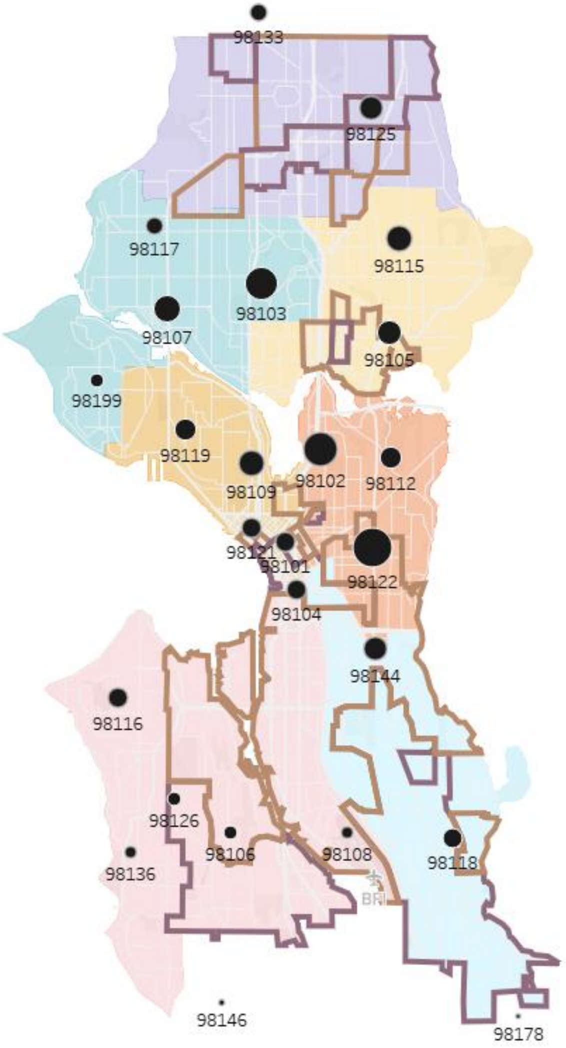
- 5 listening sessions
- 50 Tenants; 12 Small landlords
- Multi-lingual support and interpretation.

Stakeholder Meetings

- 7 Meetings
- Tenants; Affordable Housing; Market Rate; Developers
- 50+ Stakeholders

Survey: Geographical Representation

Are survey responses geographically representative of where renters live?

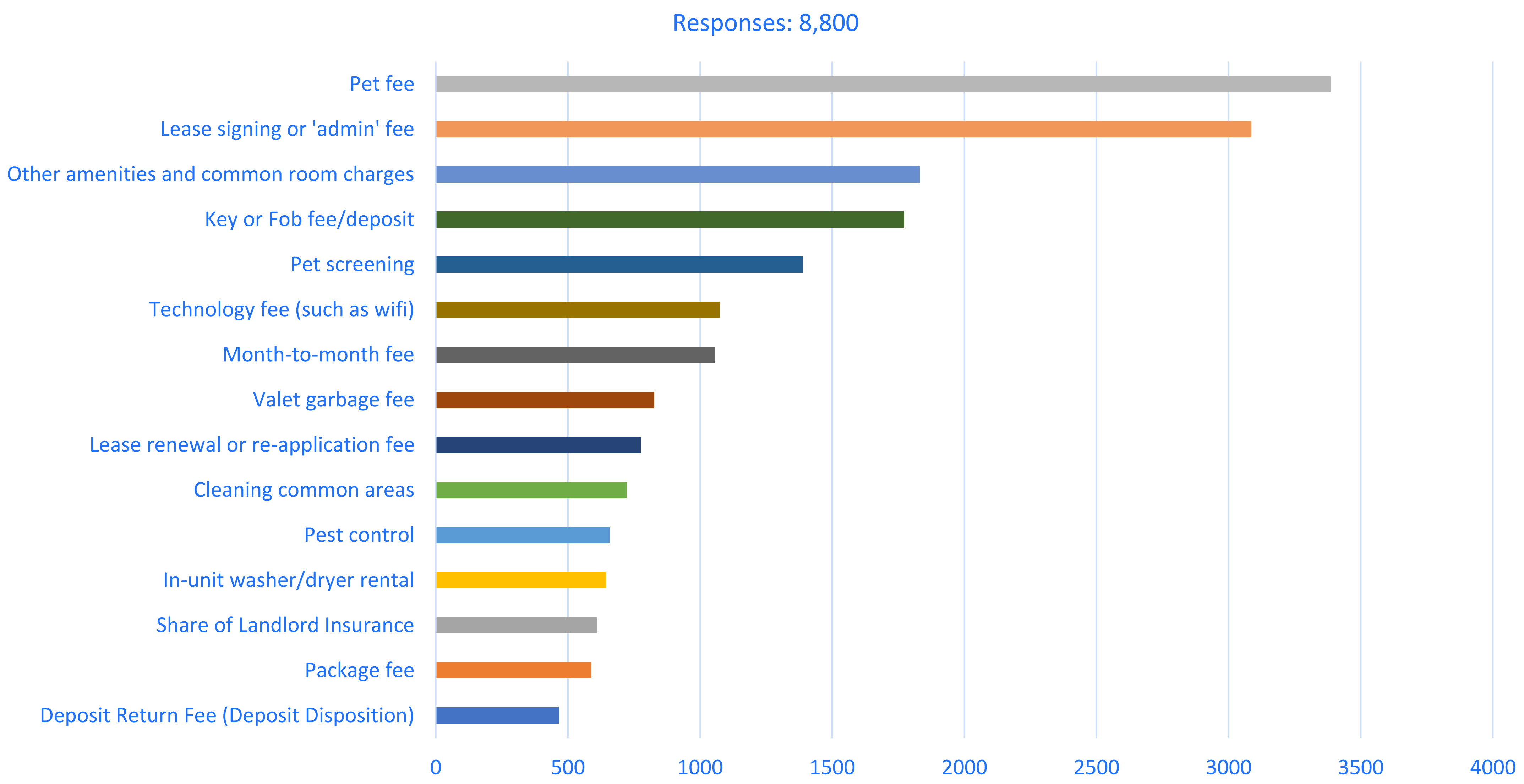


Survey respondent distribution by Seattle area vs
Actual renter distribution by area

Area	Survey %	Renter %	Ratio
Urban Core	38%	42%	0.90
Seattle North	37%	35%	1.06
Seattle South	11%	9%	1.22
Seattle Southwest	9%	8%	1.13
Seattle West	6%	5%	1.20

>1 = overrepresented
<1 = underrepresented

Survey: Most Common Rental Fees



Survey: What Renters are Saying

"There are so many hidden fees and lack of descriptions on what's included, that it's impossible to search for in-budget options."

"Looking for a place to live is a nightmare. There need to be laws that require costs to be listed plainly on rental listings"

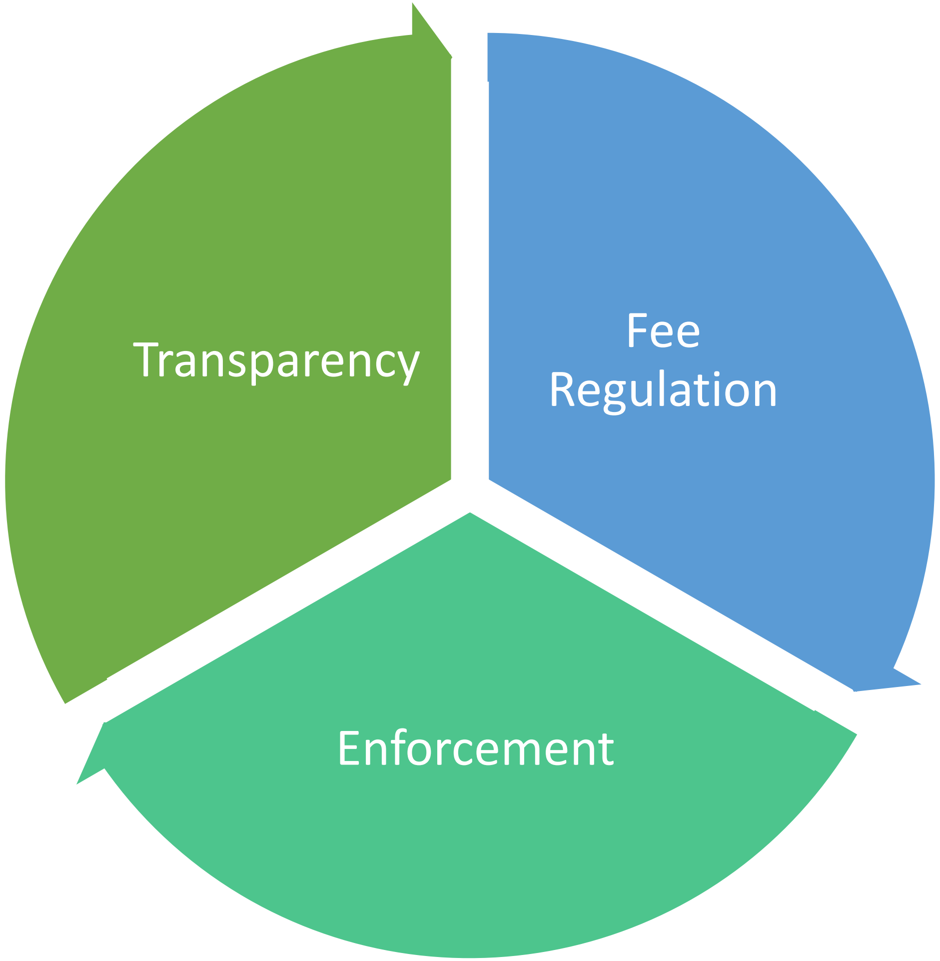
"The junk fees – valet trash, package lockers, laundry, AC units – they are all a scam and a way for landlords to advertise rent prices that are significantly lower than actual cost."

"Pet rent is just another way to squeeze more money from you. I already paid a deposit for my pets."

Engagement: Housing Provider Feedback

- *Represented*: 50+ stakeholders (small, large, developers, market rate and affordable)
- Cost Recovery: Lost Keys, Lockouts, Bounced Checks
- Transparency disclosure burden
- Insurance
- Implementation timeline
- No impact on existing leases

Policy Overview



Policy Overview: Transparency

- All fees must be disclosed in
  - (1) the rental listing;
  - (2) a concise disclosure at lease signing;
  - (3) variable fees: monthly statement;
  - (4) fixed fees: notice upon change & yearly
- SDCI to produce model notices in English and top tier languages, as identified by OIRA

Policy Overview: Fee Regulation

Only specifically permitted fees are allowed:

Current Seattle law

- Move-in Fees (Screening Fees, Security + Pet Deposits)
- Utility Surcharge Fees (RUBS)
- Late Fees
- Parking

Current state law

- Damage from Tenants
- Air Conditioner Rentals

Other exceptions

- Dishonored Checks
- Key Replacement Fees
- Lock-out fees
- Private Use of Common Area
- Insurance
- Optional Fees*

*See Next Slide

Policy Overview
Optional Fees for Additional Services

Landlord may assess fees for optional additional services, provided:

- Clear disclosure in stand-alone form;
- Affirmative opt-in and ability to opt-out;
- Fee is no more than landlord cost for third-party services;
- Does not apply for use of a generally accessible area of the building or a feature of the dwelling unit (e.g. an in-unit appliance).

Certain fees prohibited as optional

- In-unit appliance fee
- Common area fee
- Fees for payment by check-equivalent or ACH
- Mail & package fees
- Fee for landlord duty under RCW
- Fee for change in tenants
- Fee associated with pets

Policy Overview
Enforcement

Administrative Enforcement (SDCI)

- Align with Title 8
- Clarify document & witness authority
- Inflation adjustments
- Resolve similar claims

Rental Fees + Rental Agreement Code

Goal: Efficient use of government resources, broadly remedy tenant claims, deterrence + culture of compliance

Private Right of Action

Policy Overview
Additional Provisions

Retaliation prohibited

Affirmative Defense

No Impact on Current Leases

Effective Date:

July 2027

*Separate Budget Legislation

Implementation and Resourcing

Implementation

- One-time: **$193K** (initial outreach, IT system changes for fee collection & case management)
- 2027: **$781K** (3 FTE, outreach/education funding, & grants, excludes Dept. overhead)

Funding

- Funded through per unit fee of $5.50-7/year; ~50 cents per month.
- Approach – collect using the RRIO administrative staff and systems
- Efficient and keeps administrative costs down
- Separate budget legislation

Implementation Timeline

July:-Sept: Council Process

Dec: SDCI Staff Training

Jan. 1: Fee collection begins

Jan-May 2027: SDCI Systems Implementation
IT system changes for enforcement administration, rulemaking, outreach materials developed/updated

March: Outreach Grant RFP Process

April 2027: Hiring and training new staff

June 2027: Tenant Outreach Push

July 1, 2027: Effective Date

Thank You

SEATTLE CITY COUNCIL
600 Fourth Ave. 2nd Floor
Seattle, WA 98104

Legislation Text

File #: Inf 2916, **Version:** 1

Homeowner Privacy and Protection Legislation

The City of Seattle

Ordinance ___________

Council Bill ___________

..title
An ordinance relating to unfair housing practices; adding new protections for homeowners from unwanted solicitation of residential property by establishing a Do Not Solicit List; providing an enforcement process; prescribing penalties; amending Section 14.08.020 and 14.08.190 of the Seattle Municipal Code; and adding a new Section 14.08.042 to the Seattle Municipal Code.

..body
Recitals:

City homeowners indicate receiving excessive, unwanted solicitations to purchase their homes hinders the well-being, tranquility, and privacy of their homes.

Predatory home-buying practices target the most vulnerable in the community, and homeowners who sell in response to unsolicited offers may receive less for their home than if they had listed it on the open market.

Predatory home-buying practices can target communities of color, contributing to economic disparities, displacement, and erosion of generational wealth while also reinforcing historical patterns of racial segregation.

As the City implements changes to its Comprehensive Plan that will allow more “middle housing” types throughout the City and in formerly single-family zones, predatory home-buying practices could increase and impact residents in all areas of the City.

In 1989, New York State adopted a "Cease and Desist Zones" law. In areas that are designated as Cease and Desist zones, real estate licensees and others are prohibited from soliciting the sale, lease or the listing for sale or lease of residential property from any owner who has filed a statement with the Secretary of State expressing the wish not to be solicited, and whose name appears on the state Cease-and-Desist list. The Cease-and-Desist designation of an area is in place for five years but can be renewed. Over the years, five Cease-and-Desist zones have been established. There is currently one active zone with over 400 individuals registered on the Cease-and-Desist list for that zone.

In 2020, the City of Philadelphia adopted a Do Not Solicit policy similar to New York due to reports by homeowners of excessive unwanted solicitations of residential property occurring in that City. Individuals who do not want to receive solicitations for the purchase of their homes can sign up for a public Do Not Solicit List. Unlike New York, the policy covers the entire city, not only specific neighborhoods or areas. There are currently almost 4,000 entries with a Philadelphia zip code on the Philadelphia Do Not Solicit List.

These jurisdictions have put into place Do Not Solicit policies to protect homeowners from these unwanted solicitations and the City wants to adopt a policy that could provide similar protections.

The City desires to establish a new unfair housing practice that prohibits the unwanted solicitation of property owners who have indicated they do not desire to receive such solicitations, which impede their ability to enjoy the peaceful privacy of their homes. Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. Section 14.08.020 of the Seattle Municipal Code, last amended by Ordinance 127376, is amended as follows:

14.08.020 Definitions

Definitions as used in this Chapter 14.08, unless additional meaning clearly appears from the context, shall have the meanings subscribed:

* * *

"Real property" means dwellings, buildings, structures, real estate, lands, tenements, leaseholds, interests in real estate cooperatives, condominiums, and any interest therein.

<u>"Residential property" means all property, excluding a multifamily property with more than four rental units, legally used or held out for individuals to live in, regardless of whether the property is occupied by its owners, rented, or vacant.</u>

<u>"Residential property owner" means the record owner of a residential property; a power of attorney acting on behalf of the record owner; or an executor, administrator, trustee, or guardian of the record owner's estate .</u>

"Sexual orientation" means actual or perceived male or female heterosexuality, bisexuality, or homosexuality, and includes a person's attitudes, preferences, beliefs, and practices pertaining thereto.

<u>"Solicit" means attempting to sell, purchase, acquire any interest, or convey residential property, through any form of communication to a residential property owner</u>

including but not limited to mail, oral communication, or electronic communication. Solicit does not include solely providing an estimated sale value of a residential property.

"Solicit" includes to:

1. Advertise the accomplishments or abilities of a buyer or buyer's representative to a residential property owner;

2. Request that a residential property owner list a residential property for sale, or inquire if the residential property owner is interested in listing a residential property for sale;

3. Offer or inquire of an interest to offer, whether on the solicitor's own behalf or another's behalf, to purchase or acquire any interest in a residential property owner's residential property; or

Provide, or offer to provide, any type of service or assistance to help a residential property owner make a decision about selling a residential property.

* * *

Section 2. A new Section 14.08.042 is added to the Seattle Municipal Code as follows:

14.08.042 Unfair practices — Solicitation

A.

1. It is an unfair practice for any person, including but not limited to, any real estate broker or real estate agent, salesperson, or employee, to solicit at any time after such person has notice that any residential property owner does not desire to sell such residential property, or does not desire to be solicited.

2. The Director is authorized to create and maintain a public Do Not Solicit List of residential property owners who have expressed a desire not to be solicited. Any residential property owner who has been solicited and does not desire to be solicited may request to have their name and address put on the Do Not Solicit List. Any residential property owner who appears on the Do Not Solicit List may request in writing that the Director remove their name or be removed entirely from the Do Not Solicit List. The Director will then update the Do Not Solicit List with requested inclusions, name removal, and removals within 30 days of such a request.

3. The inclusion on the Do Not Solicit List of any residential property owner shall be deemed a desire not to sell the residential property and a desire not to be solicited under this Section 14.08.042.

B. The violation or failure to comply with this Section 14.08.042 shall constitute a civil violation and shall be enforced under the citation and civil action provisions set forth in this Section 14.08.042 instead of Sections 14.08.095 through 14.08.187.

C. Citation

1. If after investigation the Director determines that the standards or requirements of provisions of this Section 14.08.042 have been violated, the Director may issue a citation to the person responsible for the violation. The citation shall include the following information: (1) the name and address of the person to whom the citation is issued; (2) a reasonable description of the location of the property on which the violation occurred; (3) a separate statement of each standard or requirement violated; (4) the date of the violation; (5) a statement that the person cited must respond to the citation within 15 days after service; (6) a space for entry of the applicable penalty; (7) a

statement that a response must be sent to the Hearing Examiner and received not later than 5 p.m. on the day the response is due; (8) the name, address, email address, and phone number of the Hearing Examiner where the citation is to be filed; (9) a statement that the citation represents a determination that a violation has been committed by the person named in the citation and that the determination shall be final unless contested as provided in this Section 14.08.042; and (10) a certified statement of the Director's representative issuing the citation, authorized by RCW 5.50.050 setting forth facts supporting issuance of the citation.

2. The citation may be served by personal service in the manner set forth in RCW 4.28.080 for service of a summons or sent by first class mail, addressed to the last known address of such person(s). Service shall be complete at the time of personal service, or if mailed, three days after the date of mailing.

D. A person must respond to a citation in one of the following ways:

1. Paying the amount of the monetary penalty specified in the citation, in which case the record shall show a finding that the person cited committed the violation; or

2. Requesting in writing a mitigation hearing to explain the circumstances surrounding the commission of the violation and providing an address to which notice of such hearing may be sent; or

3. Requesting a contested hearing in writing specifying the reason why the cited violation did not occur or why the person cited is not responsible for the violation, and providing an address to which notice of such hearing may be sent.

4. A response to a citation must be received by the Office of the Hearing Examiner no later than 15 days after the date the citation is served. When the last day of the appeal period so computed is a Saturday, Sunday, or federal or City holiday, the period shall run until 5 p.m. on the next business day.

E. If a person fails to respond to a citation within 15 days of service, an order shall be entered by the Hearing Examiner finding that the person cited committed the violation stated in the citation, and assessing the penalty specified in the citation.

F Mitigation hearings

1. If a person requests a mitigation hearing, the mitigation hearing shall be held within 30 days after written response to the citation requesting a hearing is received by the Hearing Examiner. Notice of the time, place, and date of the hearing shall be sent to the address specified in the request for hearing not less than ten days before the date of the hearing.

2. The Hearing Examiner shall hold an informal hearing that shall not be governed by the Rules of Evidence. The person cited may present witnesses, but witnesses shall not be compelled to attend. A representative from the Department may also be present and may present additional information, but attendance by a representative from the Department is not required.

3. The Hearing Examiner shall determine whether the person's explanation justifies reduction of the monetary penalty. Factors that may be considered in whether to reduce the penalty include whether the violation was caused by the act, neglect, or abuse of another.

4. After hearing the explanation of the person cited and any other information presented at the hearing, the Hearing Examiner shall enter an order finding that the person cited committed the violation and assessing a monetary penalty in an amount determined pursuant to subsection 14.08.042.I. The Hearing Examiner's decision is the final decision of the City on the matter.

G. Contested hearing

1. If a person requests a contested hearing, the hearing shall be held within 60 days after the written response to the citation requesting such hearing is received.

2. Contested hearings shall be conducted pursuant to the procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for hearing contested cases, except as modified by this Section 14.08.042. The issues heard at the hearing shall be limited to those that are raised in writing in the response to the citation and that are within the jurisdiction of the Hearing Examiner. The Hearing Examiner may issue subpoenas for the attendance of witnesses and the production of documents.

3. No citation shall be deemed insufficient for failure to contain a detailed statement of the facts constituting the specific violation which the person cited is alleged to have committed or by reason of defects or imperfections, provided such lack of detail or such defects or imperfections do not prejudice substantial rights of the person cited.

4. A citation may be amended prior to the conclusion of the hearing to conform to the evidence presented if substantial rights of the person cited are not thereby prejudiced.

5. The certified statement or declaration authorized by RCW 5.50.050 shall be prima facie evidence that a violation occurred and that the person cited is responsible. The certified statement or declaration authorized under RCW 5.50.050 and any other evidence accompanying the report shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under RCW 5.50.050 shall also be admissible without further evidentiary foundation. The person cited may rebut the Department evidence and establish that the cited violation(s) did not occur or that the person contesting the citation is not responsible for the violation.

6. The Hearing Examiner shall determine by a preponderance of the evidence whether the violation occurred. If the Hearing Examiner determines that the violation occurred, the citation shall be sustained and the Hearing Examiner shall enter an order finding that the person cited committed the violation and imposing the applicable penalty. If the Hearing Examiner determines that the violation did not occur, the Hearing Examiner shall enter an order dismissing the citation.

7. The Hearing Examiner's decision is the final decision of the City.

H. Failure to appear for a requested hearing will result in an order being entered finding that the person cited committed the violation stated in the citation and assessing the penalty specified in the citation. For good cause shown and upon terms the Hearing Examiner deems just, the Hearing Examiner may set aside an order entered upon a failure to appear.

I. Penalties. The following penalties shall be assessed for violations of this Section 14.08.042:

1. $1,000 for the first violation; and

2. $2,000 for each subsequent violation within a 12-month period.

J. If the person cited fails to pay a penalty imposed pursuant to this Section 14.08.042, the penalty may be referred to a collection agency. The cost to the City for the collection services will be assessed as costs, at the rate agreed to between the City and the collection agency, and added to the penalty. Alternatively, the City may pursue collection in any other manner allowed by law.

K. Each day a person violates or fails to comply with a provision referenced in this Section 14.08.042 may be considered a separate violation for which a citation may be issued.

L. Civil action. Any aggrieved person or class of aggrieved persons who suffer financial injury as a result of a violation of an unfair practice enforced under this Section 14.08.042 may commence a civil action in a court of competent jurisdiction against a person violating Section 14.08.042 not later than two years after the occurrence of the alleged unfair practice and, upon prevailing, may be awarded reasonable attorney's fees and costs and such legal or equitable relief as may be appropriate to remedy the violation, including but not limited to injunctive relief and actual damages, including damages for mental suffering.

Section 3. Section 14.08.190 of the Seattle Municipal Code, last amended by Ordinance 126767, is amended as follows:

14.08.190 Exclusions

Nothing in this Chapter 14.08 shall:

A. Apply to the renting, subrenting, leasing, or subleasing of a single-family dwelling, wherein the owner or person entitled to possession thereof maintains a permanent residence, home, or abode, except as set forth in ((~~SMC 14.08.040(B), 14.08.040(C), SMC 14.08.045, SMC 14.08.060, SMC 14.08.070(A), and SMC 14.08.070(B);~~)) subsection 14.08.040.B, subsection 14.08.040.C, Section 14.08.042, Section 14.08.045, Section 14.08.060, subsection 14.08.070.A, and subsection 14.08.070.B;

***

Section 4. This ordinance shall take effect on June 1, 2027.

Passed by the City Council and signed in open session in authentication of its passage on ____________________.

____

President __________ of the City Council

____________________ on ____________________.

____

Katie B. Wilson, Mayor

Attested on ____________________.

____

Scheereen Dedman, City Clerk

Seal

Summary and Fiscal Note

1. Legislation Summary

Department: Legislative

Title: An ordinance relating to unfair housing practices; adding new protections for homeowners from unwanted solicitation of residential property by establishing a Do Not Solicit List; providing an enforcement process; prescribing penalties; amending Section 14.08.020 and 14.08.190 of the Seattle Municipal Code; and adding a new Section 14.08.042 to the Seattle Municipal Code.

Background: The legislation creates a new unfair housing practice that prohibits individuals, including real estate brokers or real estate agents, salespersons or their employees, from soliciting homeowners and other residential property owners who have indicated they do not desire to sell their property or be solicited to sell their property.

Solicit means attempting to purchase, acquire any interest, or convey residential property, through any form of communication including but not limited to mail, oral communication, or electronic communication.

The legislation authorizes the Director of the Office of Civil Rights (OCR) to create and maintain a public “Do Not Solicit List” of residential property owners who have expressed a desire not to sell their property or be contacted. Any residential property owner who has been solicited to sell their property and does not desire to be solicited may request to have their name and address put on the “Do Not Solicit List”. Any residential property owner who appears on the “Do Not Solicit List” may request in writing that the Director remove their name from the “Do Not Solicit List”. The property owner’s name will be removed within 30 days of the request. The inclusion on the “Do Not Solicit List” of any residential property owner shall be deemed a desire not to sell their property and a desire not to be solicited under the provisions of this legislation.

The legislation also establishes enforcement provisions, including monetary penalties and a private right of action. Penalties include: $1,000 for a first violation and $2,000 for subsequent violations within 12 months. OCR is responsible for implementation and enforcement of this legislation. The legislation would be effective June 1, 2027.

Homeowners in the City report receiving repeated, unsolicited offers to purchase their homes that precludes them from the quiet, enjoyment of their homes. New York State and the City of Philadelphia have adopted policies that establish similar policies related to unwanted solicitation that have been in effect for many years. The City desires to implement a similar policy that can protect residents from unwanted solicitation.

Summary Attachments:

---

2. Capital Improvement Program (CIP)

Does this legislation create, fund, or amend a CIP Project?

☐ Yes

☒ No

a. CIP Project Name:
b. Master Project ID:
c. Project Location:
d. Start Date:
e. End Date:
f. Total Project Cost Through 2030:

---

3. Summary of Financial Implications

Does this legislation have financial impacts to the City?

☒ Yes

☐ No

a. Expenditure Change to General Fund

2026	2027 est.	2028 est.	2029 est.	2030 est.
N/A	$200,000	$369,500	$369,500	$369,500

2027 costs include 1 FTE for an engagement specialist ($162,261), program launch and campaign costs ($34,239) and a subscription to identify businesses by their phone number ($3,500). Although the effective date of this legislation is not until June 1, 2027 the budget includes a full year for the engagement specialist, as that person will be responsible for establishing the systems, materials and processes needed to begin implementation on June 1, 2027.

2028 costs include the ongoing engagement specialist position, 1 FTE for a senior civil rights investigator position ($177,156) and ongoing program costs ($26,583).

OCR has stated that the full-time engagement specialist and senior civil rights investigator are the minimum staffing needed in order to be able to effectively implement this ordinance. While there may be other strategies to reduce costs in the short or long term, those strategies may have an impact on the ability of OCR to effectively implement the legislation and consequently the intended impact of the ordinance.

b. Revenue Change to General Fund

Because this ordinance would charge a penalty for violations, there will likely be some revenue change to the general fund. However, it is not known at this time what that increase would be, although it is likely to be modest.

c. Number of Positions

2026	2027 est.	2028 est.	2029 est.	2030 est.
N/A	1	1		

d. Total Full-Time Employee (FTE) Change

2026	2027 est.	2028 est.	2029 est.	2030 est.
N/A	1	1		

3d. Other Financial Impacts

a. Does this legislation create any other financial impacts for The City of Seattle, such as direct or indirect costs, one-time or ongoing, that aren't mentioned above? If yes, please explain these impacts. N/A

b. If the legislation has costs that can be covered within the current budget, explain how. Does the department have extra resources in its budget to handle these costs? Or does the department need to shift resources away from other work to handle these costs? N/A

c. What financial costs or other impacts might happen if this legislation is not implemented? N/A

d. How might this legislation affect other City departments besides the one that proposed it? N/A

---

4. Other Impacts

a. Does this legislation require a public hearing?

☒ Yes

☒ No

b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?

☐ Yes

☒ No

c. Does this legislation affect a piece of property?

d. Race and Social Justice Initiative impacts:

1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion? Please consider both impacts within City government (like employees and internal programs) and in the broader community.

Based on stakeholders and reports from residents, those targeted for unwanted solicitation frequently include homeowners in vulnerable, disadvantaged communities who are at risk of being taken advantage of by unethical individuals. This legislation can provide protection for homeowners from this activity.

2. Please attach any Racial Equity Toolkits or other racial equity analyses used to develop or assess this legislation. N/A

3. What is the Language Access Plan for communicating with the public about this legislation? To Be Determined

e. Climate change impacts:

1. Emissions: Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer. N/A

2. Resiliency: Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact. N/A

f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress?

Reduce the number of homeowners who report receiving unwanted solicitations of their homes.

g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization? N/A

SEATTLE CITY COUNCIL
CENTRAL STAFF

Do Not Solicit Ordinance

JENNIFER LABRECQUE, ANALYST

HOUSING, ARTS & CIVIL RIGHTS
JUNE 29, 2026

Summary

Ordinance would:

- Establish a new unfair housing practice prohibiting unwanted solicitation of residential properties
- Establish a "Do Not Solicit" list to protect homeowners from unwanted residential property solicitations.

The ordinance, including the Do Not Solicit list, would be administered by the Office of Civil Rights

Background

- Residents across the City report receiving frequent and unwanted solicitations to sell their homes
- These practices may result in homeowners selling their homes in response to such offers that may result in them receiving below market value for their homes.
- Such practices can target communities of color, contributing to economic disparities, displacement, and erosion of generational wealth while also reinforcing historical patterns of racial segregation.
- With adoption of the City's Comprehensive Plan that will allow more "middle housing" types throughout the city - including in areas previously zoned exclusively for single-family homes - unsolicited and potentially predatory outreach may increase citywide.

Other Jurisdictions

- Several jurisdictions, including New York State and the City of Philadelphia, have implemented policies that prohibit unwanted solicitation of residential properties including establishment of a Do Not Solicit List.
- New York has established targeted areas in which solicitation is prohibited for five-year terms that are renewable. New York currently has one designated area with over 400 people on the "Do Not Solicit List".
- The City of Philadelphia has established a permanent City-wide policy. There are 4,000 entries with Philadelphia zip codes on its citywide Do Not Solicit List.
- Neither New York nor the City of Philadelphia has data on the impact of implementing their respective "Do Not Solicit" policies.

Specific Provisions of the Do Not Solicit Ordinance (1/2)

- The legislation establishes a new unfair housing practice prohibiting any person, including but not limited to, any real estate broker or real estate agent, salesperson or employee, from soliciting the sale of a residential property when the owner has indicated they do not wish to sell or be contacted about a sale. Solicitation can occur through any form of communication including but not limited to mail, oral communication, or electronic communication. Solicitation means attempting to purchase, acquire any interest, or convey residential property.
- Specific examples of solicitation activities include:
- Advertising the accomplishments or abilities of a buyer or buyer's representative to a homeowner;
- Requesting that a homeowner list their property for sale or inquiring if the homeowner is interested in listing their property for sale;
- Offering or inquiring of an interest to offer on the solicitor's behalf or another's behalf, to purchase or acquire any interest in a homeowner's property;
- Provide, or offer to provide, any type of service or assistance to help a residential property owner make a decision about selling a residential property.

Specific Provisions of the Do Not Solicit Ordinance (2/2)

- The Office of Civil Rights (OCR) would be responsible for creating and maintaining a public “Do Not Solicit List” of residential property owners who have opted out of receiving solicitations and enforcing the ordinance
- Any real property owner who has been solicited to sell their residential property and does not desire to be solicited may request to have their name and address put on the “Do Not Solicit List”.
- Inclusion on the “Do Not Solicit List” legally signifies both a desire not to sell and a desire not to be solicited.
- The legislation establishes enforcement provisions, including monetary penalties and a private right of action. Penalties include: $1,000 for a first violation and $2,000 for subsequent violations within 12 months.
- The legislation would go into effect June 1, 2027.

Implementation Costs

- The estimated cost of implementing this legislation is $200,000 in 2027 and $370,000 in 2028.
- 2027 costs include 1 Full Time Equivalent (FTE) for an engagement specialist, and program launch costs.
- 2028 costs include the ongoing engagement specialist position, 1 FTE for a senior civil rights investigator position and ongoing program costs.

Questions?