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Discussion item 1: Amend CB 118817 to modify the enforcement process.

Option 1A: Adopt the NOV process instead of the citation process. This amendment would replace the proposed titles and language under Sections 7.24.110 through 7.24.170 with the section titles and content below and eliminate Sections 7.24.180 through 7.24.210:

7.24.110 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. Violations of this Chapter 7.24 shall be enforced under the citation or criminal provisions set forth in this Chapter 7.24.

7.24.120 Investigation and notice of violation

- A. The Director is authorized to investigate any structure or use the Director reasonably believes does not comply with the standards and requirements of this Chapter 7.24.
- B. If after investigation the Director determines that the standards or requirements have been violated, the Director may issue a notice of violation to the person responsible for the condition. The notice of violation shall state separately each standard or requirement violated; shall state what corrective action, if any, is necessary to comply with the standards or requirements; and shall set a reasonable time for compliance. When calculating a reasonable time for compliance, the Director shall consider the following criteria:
 - 1. The type and degree of violation cited in the notice;
 - 2. The stated intent, if any, of a responsible party to take steps to comply;
- The complexity of the corrective action, including the legal prerogatives of landlords and tenants; and
 - 4. Any other circumstances beyond the control of the responsible party.

- C. The notice shall be served upon the person responsible for the violation by personal service, or by first class mail to the person's last known address. If the address of the responsible person is unknown and cannot be found after a reasonable search, the notice may be served by posting a copy of the notice at a conspicuous place on the property. If a notice of violation is directed to a tenant or other person responsible for the violation who is not the owner, a copy of the notice shall be sent to the owner of the property.
- D. A copy of the notice of violation may be filed with the King County Department of Records and Elections when the responsible party fails to correct the violation or the Director requests the City Attorney take appropriate enforcement action.

7.24.130 Review by the Director

A. Any person significantly affected by or interested in a notice of violation issued by the Director pursuant to subsection 7.24.120.B may obtain a review of the notice by requesting such review within ten days after service of the notice. When the last day of the 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. The request shall be in writing, and upon receipt of the request, the Director shall notify any persons served the notice of violation and the complainant, if any, of the request for review and the deadline for submitting additional information for the review. Additional information shall be submitted to the Director no later than 15 days after the notice of a request for a review is mailed, unless otherwise agreed by all persons served with the notice of violation. Before the deadline for submission of additional information, any person significantly affected by or interested in the notice of violation (including any persons served the notice of violation and the complainant) may submit any additional information in the form of written material or oral comments to the Director for consideration as part of the review.

- B. The review will be made by a representative of the Director who is familiar with the case and the applicable ordinances. The Director's representative will review all additional information received by the deadline for submission of additional information. The reviewer may also request clarification of information received and a site visit. After review of the additional information, the Director may:
 - 1. sustain the notice of violation;
 - 2. withdraw the notice of violation;
 - 3. continue the review to a date certain for receipt of additional information;

or

4. modify the notice of violation, which may include an extension of the compliance date.

7.24.140 Extension of compliance date

The Director may grant an extension of time for compliance with any notice or order, whether pending or final, upon the Director's finding that substantial progress toward compliance has been made and that the public will not be adversely affected by the extension.

An extension of time may be revoked by the Director if it is shown that the conditions at the time the extension was granted have changed, the Director determines that a party is not performing corrective actions as agreed, or if the extension creates an adverse effect on the public. The date of revocation shall then be considered the compliance date.

7.24.150 Civil enforcement proceedings and penalties

A. In addition to any other remedy authorized by law or equity, any person violating or failing to comply with any of the provisions of this Chapter 7.24 shall be subject to a cumulative penalty of up to \$150 per day for each violation from the date the violation begins for

the first ten days of noncompliance; and up to \$500 per day for each violation for each day beyond ten days of noncompliance until compliance is achieved. In cases where the Director has issued a notice of violation, the violation will be deemed to begin for purposes of determining the number of days of violation on the date compliance is required by the notice of violation. The City shall also be entitled to recovery of its enforcement costs, including but not limited to staff time, administrative expenses and fees, and costs and attorneys' fees.

B. The penalty imposed by subsection 7.24.150.A shall be collected by civil action brought in the name of the City. The Director shall notify the City Attorney in writing of the name of any person subject to the penalty, and the City Attorney shall, with the assistance of the Director, take appropriate action to collect the penalty. In any civil action for a penalty, the City has the burden of proving by a preponderance of the evidence that a violation exists or existed; the issuance of the notice of violation or of an order following a review by the Director is not itself evidence that a violation exists.

7.24.160 Alternative criminal penalty

Any person who violates or fails to comply with any of the provisions in this Chapter 7.24 shall be guilty of a misdemeanor subject to the provisions of Chapters 12A.02 and 12A.04, except that absolute liability shall be imposed for such a violation or failure to comply and none of the mental states described in Section 12A.04.030 need be proved. The Director may request the City Attorney to prosecute such violations criminally as an alternative to the citation procedure outlined in this Chapter 7.24.

7.24.170 Additional relief

The Director may seek legal or equitable relief at any time to enjoin any acts or practices that violate the provisions of this Chapter 7.24.

Option 1B: Use the citation process for violations of Sections 7.24.035, 7.24.036, and 7.24.080, and use the NOV process for Section 7.24.030. This amendment would replace the proposed titles and language under Sections 7.24.110 through 7.24.200 with the section titles and content below and eliminate Section 7.24.210.

7.24.110 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. Violations of Sections 7.24.035, 7.24.036, and 7.24.080 shall be enforced under the citation or criminal provisions set forth in this Chapter 7.24.
- C. Violations of Section 7.24.030 shall be enforced under the notice of violation provisions set forth in this Chapter 7.24.

7.24.120 Citation

- A. Citation. If after investigation the Director determines that the standards or requirements of this Chapter 7.24 have been violated, the Director may issue a citation to the landlord and/or other person or entity 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, 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 Chapter 7.24; and
- A certified statement of the inspector issuing the citation, authorized by
 RCW 9A.72.085, setting forth facts supporting issuance of the citation.
- B. Service. 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, on the date of mailing. If a citation sent by first class mail is returned as undeliverable, service may be made by posting the citation at a conspicuous place on the property.

C. Response to citations

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

- b. 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
- c. 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.
- 2. 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.
- D. Failure to respond. 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.

7.24.130 Citation hearings

A. Mitigation hearings

- 1. Date and notice. If a person requests a mitigation hearing, the mitigation hearing shall be held within 30 days after written response to the citation requesting such 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 prior to the date of the hearing.
- 2. Procedure at hearing. 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 may not be compelled to attend. A representative from the Seattle

Department of Construction and Inspections may also be present and may present additional information, but attendance by a representative from the Seattle Department of Construction and Inspections is not required.

- 3. Disposition. The Hearing Examiner shall determine whether the person's explanation justifies reduction of the monetary penalty; however, the monetary penalty may not be reduced unless the Seattle Department of Construction and Inspections affirms or certifies that the violation has been corrected prior to the mitigation hearing. 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; or whether correction of the violation was commenced promptly prior to citation but that full compliance was prevented by a condition or circumstance beyond the control of the person cited.
- 4. Entry of order. 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 Section 7.24.180. The Hearing Examiner's decision is the final decision of the City on the matter.

B. Contested hearing

- 1. Date and notice. 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. Hearing. 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. 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. Sufficiency. 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 defects or imperfections do not prejudice substantial rights of the person cited.
- 4. Amendment of citation. 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. Evidence at hearing. The certified statement or declaration authorized by RCW 9A.72.085 shall be prima facie evidence that a violation occurred and that the person cited is responsible. The certified statement or declaration authorized under RCW 9A.72.085 and any other evidence accompanying the report shall be admissible without further evidentiary foundation. The person cited may rebut the Department of Construction and Inspections' 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. Disposition. If the citation is sustained at the hearing, the Hearing Examiner shall enter an order finding that the person cited committed the violation. If the violation remains uncorrected, the Hearing Examiner shall impose the applicable penalty. The Hearing Examiner may reduce the monetary penalty in accordance with the mitigation provisions in Section 7.24.150 if the violation has been corrected. If the Hearing Examiner determines that the violation did not occur, the Hearing Examiner shall enter an order dismissing the citation.

- 7. Final decision. The Hearing Examiner's decision is the final decision of the City.
- C. Failure to appear for hearing. 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.

7.24.140 Citation penalties

- A. The following penalties shall be assessed for violations of any provision of Chapter 7.24:
 - 1. Five hundred dollars for the first violation, and
 - 2. One thousand dollars for each subsequent violation within a 5-year period.
- B. Violation warning. The Director may, in an exercise of discretion, issue a warning to the person or entity responsible for the violation if the person or individual has not been previously warned or cited for violating this Chapter 7.24.
- D. Collection of penalties. If the person cited fails to pay a penalty imposed pursuant to this Chapter 7.24, 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.

7.24.150 Notice of violation investigation

A. If after investigation the Director determines that the standards or requirements of Section 7.24.030 have been violated, the Director may issue a notice of violation to the person

responsible for the condition. The notice of violation shall state separately each standard or requirement violated, shall state what corrective action, if any, is necessary to comply with the standards or requirements, and shall set a reasonable time for compliance. When calculating a reasonable time for compliance, the Director shall consider the following criteria:

- 1. The type and degree of violation cited in the notice;
- 2. The stated intent, if any, of a responsible party to take steps to comply;
- 3. The complexity of the corrective action, including the legal prerogatives of landlords and tenants; and
 - 4. Any other circumstances beyond the control of the responsible party.
- B. The notice shall be served upon the person responsible for the violation by personal service, or by first class mail to the person's last known address. If the address of the responsible person is unknown and cannot be found after a reasonable search, the notice may be served by posting a copy of the notice at a conspicuous place on the property. If a notice of violation is directed to a tenant or other person responsible for the violation who is not the owner, a copy of the notice shall be sent to the owner of the property.
- C. A copy of the notice of violation may be filed with the King County Department of Records and Elections when the responsible party fails to correct the violation or the Director requests the City Attorney take appropriate enforcement action.

7.24.160 Review of the notice of violation by the Director

A. Any person significantly affected by or interested in a notice of violation issued by the Director pursuant to subsection 7.24.120.B may obtain a review of the notice by requesting such review within ten days after service of the notice. When the last day of the 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. The request shall be in writing, and upon receipt of the request, the Director shall notify any persons served the notice of violation and the complainant, if any, of the request for review and the deadline for submitting additional information for the review. Additional information shall be submitted to the Director no later than 15 days after the notice of a request for a review is mailed, unless otherwise agreed by all persons served with the notice of violation. Before the deadline for submission of additional information, any person significantly affected by or interested in the notice of violation (including any persons served the notice of violation and the complainant) may submit any additional information in the form of written material or oral comments to the Director for consideration as part of the review.

- B. The review will be made by a representative of the Director who is familiar with the case and the applicable ordinances. The Director's representative will review all additional information received by the deadline for submission of additional information. The reviewer may also request clarification of information received and a site visit. After review of the additional information, the Director may:
 - 1. sustain the notice of violation;
 - 2. withdraw the notice of violation;
 - 3. continue the review to a date certain for receipt of additional information;

or

4. modify the notice of violation, which may include an extension of the compliance date.

7.24.170 Extension of compliance date for the notice of violation

The Director may grant an extension of time for compliance with any notice or order, whether pending or final, upon the Director's finding that substantial progress toward

compliance has been made and that the public will not be adversely affected by the extension.

An extension of time may be revoked by the Director if it is shown that the conditions at the time the extension was granted have changed, the Director determines that a party is not performing corrective actions as agreed, or if the extension creates an adverse effect on the public. The date of revocation shall then be considered the compliance date.

7.24.180 Civil enforcement proceedings and penalties for a notice of violation

- A. In addition to any other remedy authorized by law or equity, any person violating or failing to comply with any of the provisions of Section 7.24.030 shall be subject to a cumulative penalty of up to \$150 per day for each violation from the date the violation begins for the first ten days of noncompliance; and up to \$500 per day for each violation for each day beyond ten days of noncompliance until compliance is achieved. In cases where the Director has issued a notice of violation, the violation will be deemed to begin for purposes of determining the number of days of violation on the date compliance is required by the notice of violation. The City shall also be entitled to recovery of its enforcement costs, including but not limited to staff time, administrative expenses and fees, and costs and attorneys' fees.
- B. The penalty imposed by subsection 7.24.180.A shall be collected by civil action brought in the name of the City. The Director shall notify the City Attorney in writing of the name of any person subject to the penalty, and the City Attorney shall, with the assistance of the Director, take appropriate action to collect the penalty. In any civil action for a penalty, the City has the burden of proving by a preponderance of the evidence that a violation exists or existed; the issuance of the notice of violation or of an order following a review by the Director is not itself evidence that a violation exists.

7.24.190 Alternative criminal penalty

Any person who violates or fails to comply with any of the provisions in this Chapter 7.24 shall be guilty of a misdemeanor subject to the provisions of Chapters 12A.02 and 12A.04, except that absolute liability shall be imposed for such a violation or failure to comply and none of the mental states described in Section 12A.04.030 need be proved. The Director may request the City Attorney to prosecute such violations criminally as an alternative to the citation procedure outlined in this chapter.

7.24.200 Additional relief

The Director may seek legal or equitable relief at any time to enjoin any acts or practices that violate the provisions of this Chapter 7.24.

Discussion item 2: Amend CB 118817 to add a new section requiring that SDCI, in

coordination with other departments, design and implement an outreach

and education program focusing on limited English proficient and

immigrant and refugee communities.

Sponsor: CM González

Section #. The Seattle Department of Construction and Inspections (SDCI) shall, in coordination with the Office for Immigrant and Refugee Affairs, Department of Neighborhoods, and the Office of Civil Rights, conduct outreach and prepare educational materials to better inform limited English proficient communities and immigrant and refugee communities of the protections and responsibilities of tenants and landlords under these regulations. SDCI shall report to the City Council on the outcomes of this outreach and educational work within six months of the effective date of the ordinance introduced as Council Bill 118817.

Discussion item 3: Amend CB 118817 to extend the effective date.

Section 12. This ordinance shall take effect on January 1, 2017 and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Discussion item 4: Amend CB 118817 to limit the application of the installment plan.

Option 4A: Eliminate the installment plan requirement – this amendment would:

- strike subsections: 7.24.030.C.1, 7.24.030.C.2, 7.24.030.D, 7.24.035.C; and
- strike section 7.24.036; and
- renumber subsections 7.24.035.D, 7.24.035.E, and 7.24.035.F.

Option 4B: Only require an installment plan option if the security deposit exceeds a certain amount (e.g., an installment plan would only be an option for tenants if the deposit exceeds \$500 or \$1,000).

7.24.035 Security deposits and nonrefundable move-in fees

* * *

C. Fee payments in installments. If the total amount of the security deposit and nonrefundable move-in fees exceeds \$500, Tenants may pay the security deposits and non-refundable move-in fees in installments as provided below. Landlords may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because a tenant elects to pay in installments.

- Option 4C: Require that half of the security deposit and non-refundable move-in fees are paid at the inception of tenancy and the remaining half are paid in installments.
- C. Fee payments in installments. Tenants may pay security deposits and non-refundable move-in fees in installments as provided below. Landlords may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because a tenant elects to pay in installments.
- 1. For any rental agreement term that establishes a tenancy for six months or longer, the tenant may elect to pay 50 percent of the security deposit and non-refundable move-in fees at the inception of the tenancy and pay the remaining 50 percent in six consecutive, equal

monthly installments that begin at the inception of the tenancy on the first day of the second month of the tenancy or, if agreed by the landlord and tenant, according to an installment schedule described in the rental agreement.

- 2. For any rental agreement term that establishes a tenancy between 30 days and six months, the tenant may elect to pay 50 percent of the security deposit and non-refundable move-in fees at the inception of the tenancy and pay the remaining 50 percent in no more than four equal amounts that begin at the inception of the tenancy on the first day of the second month of the tenancy and are paid in installments of equal duration or, if agreed by the landlord and tenant, according to an installment schedule described in the rental agreement.
- 3. For any rental agreement term that establishes a tenancy from month to month, the tenant may elect to pay the security deposit and non-refundable move-in fees in two equal installments. The first payment is due at the inception of the tenancy and the second payment is due on the first day of the second month or period of the tenancy or, if agreed by the landlord and tenant, according to an installment schedule described in the rental agreement.

Discussion item 5: Amend CB 118817 to modify how payment of tenant screening reports is considered.

Option 5A: Separate the cost of running a tenant screening report from the limit placed on the total amount of a security deposit and non-refundable move-in fees.

7.24.020 Definitions

* * *

"Non-refundable move in cleaning fees" means non-refundable fees paid by a tenant to reimburse a landlord for the cost of obtaining a tenant screening report, criminal background check, or credit report or to pay for cleaning of the dwelling unit upon termination of the tenancy.

* * *

"Tenant screening report" means a consumer report as defined in RCW 19.182.010 and any other information collected by a tenant screening service.

* * *

7.24.030 Rental agreement requirements ((-))

* * *

C. Any rental agreement entered into after the effective date of the ordinance introduced as Council Bill 118817 is subject to the requirements of this subsection 7.24.030.C. Security deposits and non-refundable move-in cleaning fees are prohibited unless authorized by and identified in a written rental agreement that:

* * *

2. Describes the terms and conditions of the payment schedule for the security deposit and non-refundable move-in cleaning fees pursuant to subsection 7.24.035.C.

E. Any rental agreement entered into after the effective date of the ordinance introduced as Council Bill 118817 shall describe the terms and conditions of any monthly or periodic payments required as a condition of tenancy, including but not limited to: rent, security deposits, non-refundable move-in cleaning fee, last month's rent, utility payments, parking charges, late fees authorized by the rental agreement, or other monthly or periodic payments required to be made by the tenant to the landlord. When any monthly or periodic payment is made pursuant to the rental agreement, the landlord shall first apply the payment to the rent due before applying it to other payments due by the tenant to the landlord.

* * *

7.24.035 Security deposits—and, nonrefundable move-in cleaning fees, and tenant screening reports

A. Limit on the amount of charges for security deposits and non-refundable move-in cleaning fees. After the effective date of the ordinance introduced as Council Bill 118817, the total amount of a security deposit and nonrefundable move-in fees may not exceed the amount of the first full month's rent for the tenant's dwelling unit. If rent is not paid or otherwise apportioned on a monthly basis, then for the sole purpose of applying this limit the total rent shall be pro-rated on an equal, monthly basis and the total charge to a tenant for the cost of a security deposit and nonrefundable move-in fees may not exceed the pro-rated, monthly rental amount.

B. Restrictions on fees

1. Other than non-refundable <u>move-in cleaning</u> fees, security deposits, <u>tenant</u> <u>screening reports</u>, and last month's rent, landlords are prohibited from charging tenants any one-time fee at the beginning of the tenancy.

- 2. Pursuant to RCW 59.18.257, any fees charged to a tenant by the landlord to reimburse the landlord for the cost of obtaining a tenant screening report cannot exceed the actual cost of obtaining the report, which may not exceed the customary costs charged by a tenant screening service in The City of Seattle.
- 3. If the tenant has paid a non-refundable move-in cleaning fee for eleaning, the landlord may not deduct additional cleaning fees from the tenant's security deposit.
- 4. The total amount of non-refundable move-in cleaning fees may not exceed ten percent of the first full month's rent, except that if the cost of a tenant screening report exceeds ten percent of the first full month's rent, the amount in excess of ten percent may be included in the non-refundable fee but may not exceed the customary costs charged by a screening service in The City of Seattle.
- C. Fee payments in installments. Tenants may pay security deposits and non-refundable move-in fees in installments as provided below. Landlords may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because a tenant elects to pay in installments.
- 1. For any rental agreement term that establishes a tenancy for six months or longer, the tenant may elect to pay the security deposit and non-refundable move-in cleaning fees in six consecutive, equal monthly installments that begin at the inception of the tenancy or, if agreed by the landlord and tenant, according to an installment schedule described in the rental agreement.
- 2. For any rental agreement term that establishes a tenancy between 30 days and six months, the tenant may elect to pay the security deposit and non-refundable move-in cleaning fees in no more than four equal amounts that begin at the inception of the tenancy and

are paid in installments of equal duration or, if agreed by the landlord and tenant, according to an installment schedule described in the rental agreement.

- 3. For any rental agreement term that establishes a tenancy from month to month, the tenant may elect to pay the security deposit and non-refundable move-in cleaning fees in two equal installments. The first payment is due at the inception of the tenancy and the second payment is due on the first day of the second month or period of the tenancy or, if agreed by the landlord and tenant, according to an installment schedule described in the rental agreement.
- 4. A tenant's failure to pay a security deposit and non-refundable move-in cleaning fee according to an agreed payment schedule is a breach of the rental agreement and subjects the tenant to a 10-day notice pursuant to RCW 59.12.030(4).

Option 5B: Exclude the cost of running a tenant screening reports from the installment plan.

7.24.035 Security deposits and nonrefundable move-in fees

- C. Fee payments in installments. Tenants may pay security deposits and non-refundable move-in fees in installments as provided below. Landlords may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because a tenant elects to pay in installments.
- 1. For any rental agreement term that establishes a tenancy for six months or longer, the tenant may elect to pay the security deposit and non-refundable move-in fees.

 excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in six consecutive, equal monthly installments that begin at the inception of the tenancy or, if agreed by the landlord and tenant, according to an installment schedule described in the rental agreement.

- 2. For any rental agreement term that establishes a tenancy between 30 days and six months, the tenant may elect to pay the security deposit and non-refundable move-in fees, excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in no more than four equal amounts that begin at the inception of the tenancy and are paid in installments of equal duration or, if agreed by the landlord and tenant, according to an installment schedule described in the rental agreement.
- 3. For any rental agreement term that establishes a tenancy from month to month, the tenant may elect to pay the security deposit and non-refundable move-in fees excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in two equal installments. The first payment is due at the inception of the tenancy and the second payment is due on the first day of the second month or period of the tenancy or, if agreed by the landlord and tenant, according to an installment schedule described in the rental agreement.

Discussion item 6: Amend CB 118817 to allow for a larger security deposit for prospective tenants who do not meet the landlord's posted screening criteria.

7.24.020 Definitions

* * *

"Tenant screening" means using a consumer report or other information about a prospective tenant in deciding whether to make or accept an offer for residential rental property to or from a prospective tenant.

* * *

7.24.035 Security deposits and nonrefundable move-in fees

A. Limit on the amount of charges for security deposits and non-refundable move-in fees. After the effective date of the ordinance introduced as Council Bill 118817, the total amount of a security deposit and nonrefundable move-in fees may not exceed the amount of the first full month's rent for the tenant's dwelling unit except as allowed by subsection

7.24.035.A.1. If rent is not paid or otherwise apportioned on a monthly basis, then for the sole purpose of applying this limit the total rent shall be pro-rated on an equal, monthly basis and the total charge to a tenant for the cost of a security deposit and nonrefundable move-in fees may not exceed the pro-rated, monthly rental amount.

1. If agreed by the landlord and tenant, the total amount of the security

deposit and nonrefundable move-in fees may be increased by percent if the tenant does

not meet the landlord's posted tenant screening criteria.

Discussion item 7: Amend CB 118817 to exclude single-family residences where the owner

maintains a permanent residence.

Sponsor: CM Johnson

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7.24.035 Security deposits and nonrefundable move-in fees

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G. This Section 7.24.035 does not apply to a tenant who rents a dwelling unit in a single-family residence if the residence is the principal abode of the owner of the residence.

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7.24.036 Installment payment option for last month's rent

<u>D.</u> This Section 7.24.036 does not apply to a tenant who rents a dwelling unit in a single-family residence if the residence is the principal abode of the owner of the residence.