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Amendment A Version 1 to CB 121254 – Rental Fees and Enforcement

Sponsor: Councilmember Lin

Adjusting cure process to: require notification to the department, establish constructive notice of prohibited fee violations and compensation for similarly situated tenants, and provide landlords with a defense to civil actions under certain circumstances.

Effect: Upon receipt of a “prohibited fee notice,” this amendment would deem landlords of having constructive notice of the prohibited fees of all similarly situated tenants, and would require compensation to all similarly situated tenants, resulting in a defense to certain civil actions brought by compensated tenants. The amendment would also require landlords to notify SDCI of the violation and cure. If a landlord imposes the same prohibited fee within 24 months of curing a prior violation for such prohibited fee, the landlord does not have a defense to a civil action brought under SMC 7.24.060.A.2.

Amend Section 6 of CB 121254 as follows:

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. ((#)) Except as otherwise provided in this Section 7.24.060, 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.

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C. 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.

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

E. ~~Within~~ Except as otherwise provided in subsection 7.24.060.F, within 30 days of receiving written notice of violation(s) for prohibited fees (~~"prohibited fee notice"~~)~~or unlawfully withhold security deposits~~, if the landlord cures the violation(s) and pays ~~the all similarly situated~~ tenants for: 1) full reimbursement of all prohibited fees ~~and/or unlawfully withhold security deposit~~ charged plus interest, and 2) double the amount of the prohibited fees charged ~~and/or unlawfully withhold security deposit~~, the tenant cannot pursue, and if the landlord additionally notifies the Department of the violation(s) and cure, the landlord shall have a defense against any civil action brought by compensated tenants seeking remedies for the cured fees under subsection 7.24.060.A.1 or subsection 7.24.060.A.2. ~~Landlords are deemed to have constructive notice of violation(s) of prohibited fees for all similarly situated tenants upon receipt of the prohibited fee notice. For purposes of this Section 7.24.060, "similarly situated tenants" are all tenants residing in the same building who have the same prohibited fee in their rental agreement with the landlord.~~

F. If, within 24 months of curing the violation(s) per subsection 7.24.060.E, the landlord receives a prohibited fee notice either directly or constructively for the same prohibited fee, the landlord does not have a defense against a civil action brought by a tenant seeking remedies under subsection 7.24.060.A.2, as applicable, even if the landlord cures the violation(s) per subsection 7.24.060.E.