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

Sponsor: Councilmember Kettle

Changing how fees for renters insurance are regulated

Effect: This amendment would allow landlords to charge a fee for renters insurance as long as it: meets any requirements set by Director's Rule, is clearly disclosed as optional and the policy is provided to the tenant, has a clear opt-out procedure and opting out does not result in a fee charged to the tenant, and the cost to the tenant does not exceed the cost to the landlord. As transmitted, the legislation includes fees for insurance in the list of prohibited fees, with an exception for landlords to charge for insurance if they meet certain requirements, including all requirements for optional fees. Optional fees, as transmitted, must be affirmatively opted into by tenants. This amendment would move the fee for insurance from the prohibited list to the permitted list and tenants could be defaulted into the insurance policy, with the option to opt out.

Section 3 of CB 121254 is amended as follows:

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:

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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 renters insurance offered by the landlord, provided that:

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

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

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

d. The fee is clearly disclosed as optional;

e. The tenant may be defaulted in, but prior to execution of the lease or renewal, the landlord must provide a written notice to the tenant describing the process by which the tenant may opt out of the fee;

f. The tenant may opt out of the insurance policy at any time without penalty or cost; and

g. The fee may not exceed the actual cost to the landlord for providing the insurance.

~~11. 12.~~ 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;
- 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; and
- f. For a bundled set of goods or services (such as a technology fee bundling cable and internet), the landlord shall also make each component of the bundle available separately, and cannot solely offer the bundled set of goods or services.

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, 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.~~ 8. 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.