



Seattle Legislation Capping Move-in Fees

On Monday December 12, 2016, the Seattle City Council unanimously passed [legislation capping the amount housing providers](#) (download) can collect from residents when they move-in. **WMFHA anticipates the bill will take effect January 16, 2017**, which is 30 days after the date we anticipate the Mayor

signing this legislation. The new law is limited to those properties located in the City of Seattle only and exempts single-family, owner occupied rental homes. Specifically, the bill does the following:

- **Limits non-refundable fees** to the application fee and any one-time cleaning fee charged at the initiation of tenancy.
 - The application fee is limited to the actual cost of obtaining the tenant screening report, criminal background check, or credit report. This cost must not exceed the customary cost charged by a tenant screening service in the City of Seattle.
 - Under State law, the housing provider may charge for the actual costs of performing any rental references required as a part of the rental application process.
 - The non-refundable application fee and cleaning fee cannot exceed 10 percent of the first full month's rent. An exception exists when the cost of the report or tenant's background investigation exceeds 10 percent of first month's rent.
 - If the tenant has paid a non-refundable cleaning fee, the housing provider cannot deduct the actual costs of cleaning when the tenancy terminates. This is not a commonly charged non-refundable fee.
- **Prohibits any other non-refundable one-time fees** charged at move-in (commonly referred to as the administrative fee) and any non-refundable fee associated with pets.
- **Limits the maximum security deposit** to the first month's rent, less any non-refundable fees charged.
- Permits the resident to pay all non-refundable move-in fees, the security deposit and any last month's rent charged in a **payment plan**.
 - All rental agreements must include language describing the terms and conditions of the payment schedule.
 - For leases of six months or longer, the tenant may elect to pay the security deposit and non-refundable move-in fees in six (6) consecutive equal monthly installments;
 - For leases of between 30 days and six months, the tenant may elect to pay the security deposit and non-refundable move-in fees in four (4) consecutive equal monthly installments;
 - Payment plans are not applicable to security deposits and non-refundable fees that are equal to or less than 25 percent of the first month's rent; and
 - Consistent with state law, a written inspection checklist must be provided and signed by both the housing provider and tenant.
- Requires housing providers to apply any money paid by the tenant to the rent first and then to other costs owing, except when either a three-day or 10-day notice has been served for non-payment of housing cost, then to the amount owing in that notice.

- **Limits the pet security deposit to 25 percent of one-month's rent**, regardless of the number of pets owned.
 - Permits payment of the security deposit by three consecutive monthly payments. The rental agreement must describe the terms and conditions of the payment schedule.
 - **Pet rent is permissible** so long as it is *identified as pet rent*.
 - Deductions from the pet damage deposit are limited to damage caused only by the tenant's pets.
- **The holding fee**, authorized by State law, is excepted by this law. Housing providers can charge a holding fee, of any amount, and apply it to either the security deposit or to the first month's rent.
- Requires distribution of the [Summaries of Landlord-Tenant laws](#) when a rental agreement is offered to an applicant and with any renewal of a rental agreement. The summaries must also be provided annually to residents with month-to-month tenancies.
- **Prohibits retaliation** by misrepresenting any material fact in a rental reference.
- Creates a private right of action for a housing provider's failure to comply with this law and increases enforcement standards by the Seattle Department of Construction and Inspection.
- Below are two examples of how this law works:
 - **Applicant A** is applying to rent a \$2,000 per month apartment. The application fee is \$42. Your standard security deposit is \$450. Applicant A qualifies to rent the apartment and completes the rental agreement. Applicant A is required to pay the application fee and security deposit up front because these application fee and security deposit are less than 25 percent of the first month's rent.
 - **Applicant B** is applying to rent a \$2,500 per month apartment. He has one pet, a dog. The application fee is \$42 and the standard security deposit is \$450. You charge an additional \$500 security deposit for pets and \$25 per month for pet rent. This applicant is conditionally approved if he pays an additional security deposit. The maximum additional security deposit that can be charged is \$2,008 (the application fee and security deposit cannot exceed the first month's rent). Applicant B agrees and signs the rental agreement. Based on the this law, he will pay the following during the first six months of his tenancy:

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7
Base Rent	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Application Fee	\$42	\$0	\$0	\$0	\$0	\$0	\$0
Pet Rent	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Security Deposit	\$409.66	\$409.66	\$409.66	\$409.66	\$409.66	\$409.66	\$0
Pet Security Deposit	\$166.66	\$166.66	\$166.66	\$0	\$0	\$0	\$0
SubTotal	\$3,143.32	\$3,101.32	\$3,101.32	\$2,934.66	\$2,934.66	\$2,934.66	\$2,525

For more information on this new law, please contact Brett Waller at brett@wmfha.org or (425) 656-9077.